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CONTENTS

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PARTY CONGRESSES

PRAVDA Reviews First 5 Days of Congress Work *[3 Mar]* ..... O 1
PRAVDA Publishes Additional 28 Feb Speeches ..... O 2
Omsk Obkom's Manyakin *[1 Mar]* ..... O 2
Volgograd Obkom's Kalashnikov *[2 Mar]* ..... O 4
Agro-Industrial Committee Official's 1 Mar Address *[PRAVDA 3 Mar]* ..... O 6
Ryzhkov Report on Basic Guidelines at 3 Mar Session *[PRAVDA 4 Mar]* ..... O 8
Proceeding of 4 March Congress Session Reported *[PRAVDA 5 Mar]* ..... O 28
Reportage on 5 March Congress Proceedings ..... O 28
Participants in Morning Session ..... O 28
Aliyev Closes Morning Session ..... O 28
Social, Economic Guidelines Approved ..... O 29
Election of Officials Discussed ..... O 29
TASS Summarizes Resolution Approved by 27th Congress ..... O 29
Leaders Meet Foreign Delegates to 27th Congress ..... O 30
Gorbachev, CPUSA's Gus Hall Confer *[PRAVDA 5 Mar]* ..... O 30
Gromyko, Heng Samrin Meet *[PRAVDA 5 Mar]* ..... O 30

PRAVDA Reviews First 5 Days of Congress Work

PM041139 Moscow PRAVDA in Russian 3 Mar 86
Second Edition p 1

[Editorial: "The Party's Cause — the People's Cause"]

[Text] Behind us are 5 days of work by the 27th party congress. The discussion of the CPSU Central Committee Political Report, delivered by M.S. Gorbachev, general secretary of the party Central Committee, and the report of the CPSU Central Auditing Commission has ended. The congress approved the political course and practical activity of the party Central Committee and the propositions, conclusions, and tasks contained in the Political Report, and instructed all party organizations to be guided by them in their work. The resolution on the CPSU Central Committee Political Report to the 27th congress was adopted unanimously.

The congress unanimously approved the new edition of the CPSU Program and the text of the party Statutes with the amendments incorporated.

The entire course of the congress' work is regarded by Soviet people as a review of the collective thought and collective action of the party and people and a remarkable school of partymindedness and the Leninist style. A school whose lessons teach every one of us to realistically assess what has been achieved, to see the unresolved tasks clearly, to reveal shortcomings and omissions boldly, to analyze their causes profoundly and from constructive standpoints, and to adopt a creative approach to the resolution of urgent problems.

Practical support — that is indisputably the chief component of Soviet people's attitude toward the tasks and goals set forth at the party congress. And how could it be otherwise? The party's policy is permeated by faith in the force of the masses' living creativity, it is in the full sense of the word a policy which is valued and understood by every person and which expresses the interests, hopes, and aspirations of all the people. We are firmly conscious that everything that the Leninist party plans or does serves to strengthen the might of our state. We know and realize that the attainment of these goals demands from every Communist and every working person enterprising, staunch work, energetic actions, the highest level of organization, responsibility, and discipline.

Today the party organizations and labor collectives are assessing their work according to these criteria and seeking to bring reserves for economic growth into play more rapidly. And such reserves exist everywhere. Indeed, how can we tolerate a situation where, in a number of sectors, enterprises, associations, and farms, existing capacities stand idle or work at half strength? Or where the discipline of deliveries carried out on a cooperative basis is low, as a result of which the smooth running of production, product quality, and thus economic efficiency deteriorate? This depends not only on the planning and supply organs, but also on how people in every labor collective keep their word and fulfill contract commitments; and ultimately on the attitude toward the cause of everyone, wherever he works.

It is the conscientious, creative attitude to the task which forms the basis of the successes of leading collectives. Good results are produced, for instance, by the use of the Shchekino method and the certification of jobs. The experience of the Belorussian railmen is interesting — here the transition to a new system of labor remuneration and the combining of duties made it possible in a short space of time to release some 12,000 workers for other sectors. There has been a high assessment of the enterprising approach to production mechanization and automation by collectives in Zaporozhye Oblast, where they managed to markedly reduce the number of people employed in manual work in industry and construction. The best people's experience and the innovations of the frontrunners — and there are plenty of them in any sector, in every collective — can and must be creatively applied on the widest scale without delay.

Soviet people actively support the party's call for the greatest possible efforts to radically improve the quality of output, without which, as was noted at the congress, an acceleration of scientific and technical progress is impossible today. Concern for high quality must be a matter of honor for every communist, every Soviet person, all who respect their own labor. This must also be promoted by effective socialist competition in the labor collectives and material and administrative measures. And, of course, the active civic stance and worker's conscience of all working people, the heightening of the prestige of a high degree of skill, and the development of a conscious, creative attitude to labor as a paramount public duty.

It is clear that these tasks must be resolved now, today, without waiting for any special instructions "from above." That is how the leading collectives act — during the congress they are working particularly efficiently, in an organized way, with high output. Everyone must always work thus and only thus. At every enterprise and in all sectors questions of thrift should be constantly kept in view, with those who save and make rational use of raw materials, electricity, and fuel being rewarded according to their deserts. And at the same time thriftlessness and extravagance must not be ignored and shoddy workers and spendthrifts must be called very strictly to account.

The Communists are called upon to set an example in all these things. Since the CPSU Central Committee April (1985) Plenum, the struggle for the practical implementation of the party's strategic course of all-around acceleration of the country's socioeconomic development has seen an increase in the militancy of party organizations and a marked heightening of their vanguard role in creating in the collectives an atmosphere of initiative, creativity, conscientious labor, and unity of word and deed.

The 27th CPSU Congress continues its work. Work for the sake of our great motherland's further flourishing, for the sake of lasting peace and progress on earth. Soviet people are watching this work with tremendous attention and ardent interest. They are filled with determination to successfully carry out the party's plans. This is a new manifestation of the unity of the party and people and the guarantee of new achievements on the path of communist creation.

PRAVDA Publishes Additional 28 Feb Speeches

Omsk Obkom's Manyakin

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["Speech by Comrade S.I. Manyakin, first secretary of the Omsk CPSU Obkom" (*PRAVDA* headline) delivered at 28 February morning session of the 27th CPSU Congress]

[Text] Esteemed comrades! Siberia is studying the CPSU Central Committee report delivered by Mikhail Sergeyevich Gorbachev. This is being done in depth and with interest and that is natural. The point is that the development of the production forces of this very large region of the country is an important component of our party's economic strategy. All we congress participants experience a sense of tremendous satisfaction and pride in our party and its Central Committee who have spoken boldly of the acuteness of the problems of the present moment and elaborated a strategy for profound transformations in the national economy and social sphere. Mighty sources of the masses' living creation are being put into operation. A resolute struggle has been launched to overcome intertia and conservatism — everything that is holding back the entire social process.

The work of our congress graphically convinces us of the party's unshakable loyalty to Lenin's instruction to consider reality and its precise facts and not to continue to cling to yesterday's theory.

The correctness of the chosen course toward realism in politics, economic activity, and party building is fully confirmed by life itself. This has been reflected in the drafts of the new edition of the CPSU Program, the changes to the party Statute, and the Basic Guidelines for the country's economic and social development.

The Omsk delegation, expressing the thoughts and feelings of the Communists and all working people of the oblast, fully approves and supports the documents of tremendous theoretical and political importance submitted for discussion by the country's supreme party forum. (applause)

Since the April (1985) Central Committee Plenum, the obkom and the oblast's party committees have stepped up their attention to the search for new forms of organizational political work. The main emphasis is placed on improving style, strictly controlling execution, and enhancing responsibility. The resolute shift toward Leninist norms of life and the honest and frank talk with people is now changing the social atmosphere for all to see. This was graphically shown by the report meetings and conferences and discussion of the precongress documents. During these meetings 27,000 critical remarks and proposals were voiced. They confirmed yet again that the novelty of the plans which are being put forward requires different approaches, a different way of thinking and outlook, and in some places new people to implement them.

The CPSU Central Committee Political Report defined the main avenues of economic policy. By the end of the century our country should almost double the national income while doubling the production potential and qualitatively transforming it. This task is, frankly, of extreme complexity. But the potential for fulfilling it is enormous. The experience of the leading collectives can serve as a unique illustration of this. The production facility for aromatic hydrocarbons has become the embodiment of scientific-technical progress in the petrochemical complex. This directional, very large construction project for the country costing over R300 million was erected in 4 years. The very first consignments of its output met the best world models. As a whole the volumes of the oblast's industrial production have doubled in less than 14 years.

The Omsk party organization sees its main task in ensuring that the oblast's contribution to the country's economic and defense might is more substantial and important.

In the past 5-year period industrial output worth R5.3 billion more than in the previous 5-year period was produced, that is the first 4 years of the 11th 5-Year Plan incorporated the entire volume of the 10th. The proportion of articles of the top category of quality in the volume of certifiable output is 59 percent.

We rendered substantial assistance to the Tyumen oil workers. Construction and installation work worth R540 million was carried out. The Irtysh river transport workers shipped 23 million metric tons of freight.

The situation in agriculture is improving. This is connected to a considerable extent with the implementation of the decisions of the party Central Committee May (1982) Plenum. The Omsk agro-industrial complex has produced output worth R1.5 billion or 11 percent more than in the 10th 5-Year Plan. And after all, as is well known, the first 3 years were stricken by drought in Siberia. The production of the main agricultural products per capita last year was: meat (in carcass weight) 106 kg, milk 663 kg, and vegetables 74 kg. Food is delivered to 76 oblasts, krays, and republics.

Unfortunately, to this day there is still no standardized planning and supply in agriculture broken down into the country's different zones, just as there is no annually operating mechanism of price regulation.

However, comrades, we are very well aware that the indicators in the development of the economy and culture of our oblast could be higher. The criticism of shortcomings voiced in the Political Report also applies to our party organization. Due conclusions will be drawn from it.

The congress is discussing questions of the management of the national economy. Allow me also to express my personal opinion. On our oblast's territory there are over 7,000 enterprises and organizations. They are administered by over 100 ministries and departments. Unfortunately, many ministers do not make local trips and are unfamiliar with the situation. The leaders of the USSR Ministry of the Construction Industry, the Ministry of the Chemical Industry, the USSR Ministry of the Timber, Pulp and Paper, and Wood Processing Industry, the RSFSR Ministry of the Textile Industry, and others have not visited the oblast for over 10 years.

The departmental confusion can be seen clearly in the example

of the Omsk plastics plant. With the location of this enterprise in our oblast it was planned to create a unified petrochemical complex. But in 16 years this has still not been carried out. Its capacities are not loaded to this day. There is no stable collective. Only 8 percent of capital investments have been earmarked for social needs and every third worker is waiting in line for housing. You involuntarily ask whether there is any need for the existing proliferation of ministries and departments, many of whose enterprises do not even reach the R10 billion mark in terms of production volumes. This is not only a colossal dissipation of efforts and funds but also favorable soil for hackwork and bureaucracy. History will not forgive the ministries for the lag they have allowed in the tempo of the country's economic development.

M.S. Gorbachev: Sergey Iosifovich, history may not forgive them, but we have been forgiving them.

S.I. Manyakin: I spent a long time thinking how to say it, but I decided to blame history.

M.S. Gorbachev: That's what we've been seeing for the past 15 years. (applause)

S.I. Manyakin: The fact that the system not only of sectorial administration but also of territorial administration has become immoderately swollen also makes us think, comrades.

Perhaps one of the sorest points in our oblast today is executive discipline centrally and locally. A number of ministries failed to fulfill the party Central Committee and USSR Council of Ministers resolution on the development of the Omsk economy, the conservation of the environment, and the building of a gas pipeline, subway, airport, and other socioconsumer projects envisaged by the decision.

Nor can I fail to mention the following distortion: For a number of fundamental positions the Siberians' material security per capita is lower than the average for the RSFSR. In general it would be more correct to use stronger expressions in a speech on this subject but obviously that cannot be done at the congress.

Comrades, it is time to put an end to the easy option for Siberia's development. To compel one and all to understand that this harsh region must be not developed but settled. Thoroughly, intelligently, and prudently settled. (applause) And here we must consider all factors, in particular the fact that Siberia has grown markedly more youthful. Thus, the average age of the Omsk (Oblast) inhabitants is 31. Surely we do not have the right to disregard this, comrades! (applause)

And another issue that troubles us. The decisions of the party Central Committee October (1984) Plenum provided for the installation of the south Omsk irrigation system with a reservoir and hydraulic system on the Irtysh. This will make it possible to achieve the main thing under Siberian conditions — the guaranteed yield of output every year. The renewal of land will enable Omsk Oblast to produce at least 5 million metric tons of grain, 1.5 million metric tons of milk, and 350,000 metric tons of meat every year.

Here I must say, comrades, that there appear now to be no overt opponents of Siberian irrigation. Quite the reverse, something is even being done. But mountains of petty reservations and imaginary, nonexistent, difficulties are accumulating around the hydraulic system and reservoir on the Irtysh. We cannot allow them to bury a large, very important, state matter, comrades.

The time has come to have an all-union "Protein" program. This is of statewide, I would say, political importance. Specialists' calculation attests that by balancing feed in protein terms, savings in grain, according to the most cautious estimates, would be millions of tons throughout the country. In our view the USSR Council of Ministers should examine this question because its solution will make it possible to accelerate the pace of meat and milk production and in conjunction with other measures, especially for the intensification of arable farming and grain production, finally liberate our motherland from the need to purchase grain abroad. (applause)

Comrades! The enormous amount of work which the party has launched in all spheres of our life is not — let us speak honestly and frankly — proceeding simply or smoothly. We are living in harsh times and we frequently encounter grave problems in the education of cadres, especially leaders. Some comrades obviously lack the ability to assess the situation correctly, to highlight the main thing, and to investigate the processes taking place today from broad political positions. Hence the deplorable instances of the degeneration of cadres and the gulf between word and deed.

The party's course has been defined, comrades. The Central Committee Political Report and the congress materials arm the party organization with a militant program of action. Success will depend on the standard of party leadership and its competence and efficiency, on how far it proves to be firm, purposeful, and principled in implementing locally the general line of the 27th CPSU Congress. (applause)

The CPSU's consistent domestic political and international course enjoys the unanimous support of the entire Soviet people. The Omsk people, like all Soviet people, approve the activity of our party and state aimed at preventing nuclear war and resolutely rebuffing the global claims of U.S. imperialism.

The bold, wide-scale initiatives providing for the creation of all-embracing international security put forward in the Political Report of Comrade Mikhail Sergeyevich Gorbachev, general secretary of the CPSU Central Committee, are meeting with ardent support everywhere.

Comrades! A bright, outstanding page in the life of the party and country is being written into history before our eyes: The 27th CPSU Congress in whose work we have had the good fortune to take part. This event's importance is not limited to the current 5-year plan or the one which follows it. In terms of the dimensions of its influence it goes far beyond the 20th century. I believe that each person sitting in the auditorium experiences this feeling of a prospect which is opening up.

The Omsk Oblast Communists interpret everything by which the country is living as their vital business. They have always been a militant, cohesive, organized detachment of our party, which has

been tested in many ordeals. So it will be this time too: Everything our hands can do, everything our hearts possess we will give unreservedly to the prosperity of the motherland and the assertion of the lofty ideals of communism. (applause)

Volgograd Obkom's Kalashnikov

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["Speech by Comrade V.I. Kalashnikov, First Secretary of Volgograd CPSU Obkom" (*PRAVDA* headline) at 28 February morning session of 27th CPSU Congress]

[Text] Comrade delegates! The 27th CPSU Congress' work faithfully mirrors the atmosphere of high political enthusiasm and fundamental renewal which has been created in the country since the party Central Committee April (1985) Plenum.

The congress has been given a businesslike and exacting tone by the CPSU Central Committee's Political Report, delivered by Comrade M.S. Gorbachev. From scientific, Marxist-Leninist standpoints it validated the concept of accelerating Soviet society's socioeconomic development and raised fundamental questions of contemporary world policy and the international communist and workers movement. It is filled with historic optimism and belief in the triumph of communism. Our congress has reaffirmed that the CPSU is a party of consistent fighters for peace and social progress.

Following instructions by Volgograd Oblast's Communists and working people, our delegation expresses complete approval of the political line of the party Central Committee and the provisions and conclusions of the CPSU Central Committee's report. (applause)

Comrades! The oblast's working people, who by their actions support the party's course of intensifying the national economy and overcame the backlog of the early years of the 5-year plan, fulfilled the 11th 5-Year Plan targets for industrial output sales and labor productivity growth ahead of schedule — by 25 December in fact.

The powerful acceleration given to the economy has made it possible to begin this year's work at a good pace, too. The oblast successfully fulfilled the January plan and increased industrial production by 6.3 percent, the assimilation of capital investment by 27 percent, and the procurement of agricultural produce by 20-30 percent.

We report with profound satisfaction that the Volgograd tractor plant — the glorious pioneer of socialist machine building — has honorably fulfilled its pledge and produced an industrial batch of new, high-powered "Volgar" tractors. This is a rapid, convenient Caterpillar tractor which has twice the productivity of the current model and exerts relatively little pressure on the soil. Agricultural workers await its arrival. It is the Volgograd workers' gift of labor to their party's congress. We ask the USSR Gosplan to speed up the delivery of automatic production lines in order to accelerate the modernization of the plant.

The up-to-date investment policy formulated by the party Central Committee exerts profound influence on the acceleration of the pace of social production. The oblast contains priority sectors of industry: power, ferrous and nonferrous metallurgy, machine building, chemicals, petrochemicals, and others. Capital investments in modernization and retooling are increasing.

The scale of the work ahead is great. Whereas capital investments are to increase 18-22 percent across the country as a whole in the 12th 5-Year Plan, in our oblast they are to increase by 80 percent.

Our worry is that such high rates do not accord with the construction and assembly organizations' capacities. This year alone, the volume of planned work exceeds construction workers' potential by one-fourth.

We are trying to find a way out of this situation. Enterprises themselves have been involved in construction and modernization, and we are also increasing the amount of work done by contracting organizations. But this requires a more interested attitude from ministries, above all from the USSR Ministry of Power and Electrification, which has no plans to expand the "Volgogradgidrostroy." But the modernization of the Volga pipe plant and the construction of a metallurgical complex are proceeding on a turnkey basis by reducing the construction of housing and other social, cultural, and consumer projects. This is intolerable.

In our opinion it is now necessary to examine the situation in this sector on a nationwide scale, to organize the management of a single construction complex, and to arrange matters so that ministries' departmental interests do not contradict the regions' comprehensive development, but instead complement it. (applause)

Comrade delegates! Our oblast is a vast agrarian region and, of course, should be a major supplier of agricultural produce. In the past two 5-year plans, however, the growth rate in this sector has declined and plans have gone unfulfilled. With a view to overcoming this backlog, the oblast party organization assessed the situation critically and formulated new approaches and solutions.

Under these conditions the union between science and production has manifested itself with particular force. In conjunction with scientists of the V.I. Lenin All-Union Academy of Agricultural Sciences, a fundamentally new comprehensive program has been formulated which includes a "dry" crop farming system, extensive land reclamation, and the equipping of the countryside.

We have been persistently implementing this intensification program for 2 years and are confident that our chosen path is the right one. Field sizes and crop rotation have increased. The area of fallow land has expanded. Implements have been produced and moisture-retaining and soil-protection methods of cultivation and intensive techniques have been introduced. Housing construction has doubled, more roads are being built, and the provision of gas to villages is under way. As a result the exodus of the population from the countryside has virtually ceased.

The pace of land reclamation, on which crop farmers are pinning

the future of their native region, has increased in the oblast. Whereas at the beginning of the last 5-year plan 6,000-8,000 hectares were commissioned annually, last year the figure was 40,000 hectares. Feed crop yield on irrigated land also increased 30 percent in a single year. Irrigation has become the oblast party organization's main work. In the past 2 years a base has been created for the industrialization of water resources construction.

The production of "Fregat" irrigating machines, pontoon, comprehensive-block, and electrically operated power stations, and other equipment has begun in the oblast with the support of the Ministry of the Shipbuilding Industry and from the minister, Comrade Belousov himself, and from the Ministry of Tractor and Agricultural Machine Building and its minister, Comrade Yezhevskiy, and in cooperation with the enterprises of other ministries. Industrialization and increased plant readiness, in conjunction with the collective contract in land reclamation construction, have made it possible to cut the time taken to build land reclamation facilities by a factor of 1.5-2 against the set norms.

The accumulated experience gives us confidence that we will achieve the new targets — to irrigate 50,000 hectares of land this year and 250,000 hectares before the end of the 5-year plan. The total area of irrigated lands in the oblast will double and yield on those lands will increase 1.5 times. By the year 2000 there will be 1 million hectares of irrigated land. All this will provide a firm basis for accelerating the development of agricultural production.

The development of irrigation in the parched Lower Volga zone and in the north Caucasus is concerned with the diversion of water from the Volga to the Don. Water from the Caspian and the Volga will make it possible to complete the construction of the first stage of the Volga-Don canal in the 12th 5-Year Plan without diverting water from northern rivers into the Volga. I submit a proposal to include this important project in the Basic Guidelines list of construction work for the 12th 5-Year Plan period.

Volgograd's steppes were washed with much blood during the Civil and Great Patriotic wars. This is hallowed ground. Now it needs water, both for drinking and for irrigation. We must hand down improved land to our descendants and, by carrying out comprehensive land reclamation, we will be doing persistent and purposeful work.

Comrades! Measures are being implemented in the oblast to improve the storage of produce and expand food industry capacities. An extensive network of cooperative stores has been set up in cities, at large enterprises, in rayon centers, and at kolkhoz and sovkhoz central farmsteads. We have made the first moves in this direction and they have received a positive response from the population.

The single organ created to administer the agro-industrial complex will enable the tasks set to be better fulfilled. We support the Political Reports' provisions on the accelerated fulfillment of the Food Program, the introduction of firm targets for deliveries to the union-republic fund, and greater farm independence and responsibility for the end result.

In our view the switching of kolkhozes and sovkhozes to a system of self-support [samookupayemost] and the new precedure for state purchases makes its necessary to transfer to scientifically validated, realistic planning for the production of grain and a number of other products and improved purchases and retail prices. (applause)

The current pricing policy is such that even those kolkhozes and sovkhozes which cope with purchase targets cannot support themselves, and retail prices do not cover foodstuff production costs. Is that not why a certain part of the population has a casual attitude toward milk and bread, a question which the Soviet public rightly and eagerly raises? (applause)

Economically validated retail prices make it possible to reduce the discrepancy between supply and demand and to abolish coupons and other forms of distribution. We realize that this task cannot be carried out overnight. But as Mikhail Sergeyevich Gorbachev's report rightly said, the solution of urgent problems cannot be avoided and the solution of this problem has been overdue for a long time now. (applause)

Comrades! The party Central Committee's Political Report is the first to formulate social policy tasks with such thoroughness and clarity. The distinguishing feature of this program is that the tasks of increasing prosperity and improving the Soviet people's living and working conditions are based on realistic plans for the country's economic development. Real conditions also form the basis for the provisions on overcoming class differences, molding a socially homogeneous society, democratizing administration, and ensuring the triumph of principles of social justice.

In the period of discussion of the precongress documents, Communists of the heroic city of Volgograd and its oblast supported and approved the social program and spoke about the need for change. The ideas of the CPSU Central Committee report meet those aspirations of the people and the demand of the times.

The report and election campaign showed that our party has come to the congress equipped with the experience of restructuring all organizational and ideological-educational work in the new conditions. Signs of the new are visible everywhere now, primarily in the style and methods of party leadership. There is a greater purposefulness, specificity, and unity of word and deed now. Secretaries and members of party committees and apparatus workers visit kolkhozes more often and study working people's interests and requests in greater depth.

At the same time there are still many unsolved problems, particularly in the activity of soviet and economic organs and in cadres' education.

With Leninist principledness and boldness, the party is purging itself of those who violate the norms of party life, selfishly misuse people's trust, and thereby cast a slur on the Communist's lofty title. Leaders who like to talk about the strategy of acceleration but who do not understand the essence of the new policy and continue working in the old way have still not been replaced.

Restructuring, working in the new way — that is the correct process and it has been received with approval in the country.

At the same time, on the pretext of holding a "frank discussion," the cadres of some "immobile, inert, and unprogressive party-administrative stratum" must be villified simply for sensation's sake. (applause) It is not hard to see what some writers have in mind when they do that.

The unity of the party and the people is a most important achievement, born in difficult trials. And we shall cherish that unity like the apple of our eye. (applause)

Comrades! The party congress and M.S. Gorbachev's report arm us with new guidelines in the work to enhance the role of the human factor in fulfilling the vast tasks of the 5-year plan.

To us, the people of Volgograd, the ideological-political and patriotic education of working people, of the many guests of the heroic city, and, particularly, of young people is of great significance. Volgograd is a city of world renown and all who visit it take away with them a sense of profound respect for the liberated Soviet people.

Throughout the world, Volgograd is called the badge of courage on the chest of the planet. The oblast's working people will do everything to ensure that this badge does not lose its brilliance and will help to foster in people a radiant sense of love for the motherland, devotion to the ideals of socialism, and readiness to defend its gains.

The oblast's Communists and working people assure the Leninist Central Committee of their devotion to the cause of communist building. They will devote their minds, fervent hearts, and skillful hands to ensuring that the 27th CPSU Congress' historic decisions are fulfilled before the end of the century. (applause)

Agro-Industrial Committee Official's 1 Mar Address

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Second Edition p 3

["Speech by V.S. Murakhovskiy, first deputy chairman of the USSR Council of Ministers and chairman of the USSR State Agro-Industrial Committee" (*PRAVDA* headline), delivered at 1 March session of 27th CPSU Congress]

[Text] Esteemed comrades! We are all confident that the 27th CPSU Congress will go down as a vivid page in the annals of our motherland's history. It marks the beginning of a qualitatively new stage in Soviet society's life.

The innovative spirit; the profound analysis of the development of the party, the socioeconomic processes in the country, the world revolutionary movement, and the struggle for peace; and the theoretical conclusions and political directives contained in the Central Committee Political Report which was delivered by M.S. Gorbachev, general secretary of the CPSU Central Committee, constitute a major contribution to Marxist-Leninist theory.

The course of accelerating the country's socioeconomic development and improving production relations which was put forward at the CPSU Central Committee April (1985) Plenum has been comprehensively developed in the Political Report and enjoys the ardent approval and unanimous support of the party and the whole people. (applause)

The CPSU came to its congress enriched with new experience in communist building, monolithic, and closely rallied around the Leninist Central Committee and its Politburo.

Only a short time has passed since the Central Committee April Plenum, but its enormous historic significance can already be perceived. The plenum decisions provided scope for revolutionary transformations in the economy and in social life and stirred the party and the people. They inspired confidence that the adverse trends and difficulties will be overcome and that the daring and resolute struggle against shortcomings and abuses, against arrogance and complacency, will be seen through to its logical conclusion. It is this approach to the cause that exemplifies the Leninist work style.

Communists and all working people unanimously approve the energetic and purposeful foreign policy activity of the party Central Committee and its Politburo. The constructive proposals and direct appeals to progressive forces and public organizations by M.S. Gorbachev, general secretary of the CPSU Central Committee, have given a powerful boost to the peace movement and have enhanced our motherland's prestige as the bulwark of peace on earth.

The draft new edition of the CPSU Program submitted for discussion by the 27th congress precisely and succinctly defines the long-term strategy and tactics of communist building and will serve the party as a true compass in defining the ways for our society's development. I propose that the draft new edition of the party program be adopted and the work by the commission for the draft's preparation be approved. (applause)

Comrades! The party perceives the supreme purpose of its activity in steadily enhancing the people's prosperity and improving all aspects of Soviet people's life. This is a fundamental question of its policy. This is why the problem of reliably supplying the country's population with foodstuffs is among the most important tasks reflected in the documents with which the party came to its 27th congress.

The implementation of the Food Program adopted by the CPSU Central Committee May (1982) Plenum has had a positive effect on the development of the economy's agrarian sector. This has made it possible to ensure the growth of agricultural output and to achieve progress in the countryside's social development.

But, as the report notes, we still have not managed to overcome the lag in agriculture. Some cities experience disruptions in the supply of meat and dairy products for the population. And even though our country has reached the level of physiological norms as regards the caloric content of nutrition, the structure of nutrition needs qualitative improvement through increased consumption of meat, vegetables, and fruit.

In critically assessing the state of affairs in agriculture, it must be said that some oblasts and republics make inadequately efficient use of existing production potential. Despite consider-

able increases in capital investment and in deliveries of equipment and mineral fertilizers, in the course of the last 5-year plan period many oblasts in Russia's Non-Chernozem Zone, West Siberia, the Ukraine, and Kazakhstan reduced the output of crop farming produce and failed to substantially increase stockraising production.

The reasons hindering development are largely subjective. Economic mismanagement is tolerated in many places, exactingness toward cadres has diminished, parasitic sentiments are not properly rebuffed, and the methods of labor organization and incentives do not correspond with the demands of life.

The Central Committee report puts forward the concept of improving the economic machinery of the agro-industrial complex and outlines a system of major socioeconomic measures enriching and developing the party's agrarian policy at the contemporary stage. The implementation of these measures will accelerate the development of agriculture.

The organizational shaping of the agro-industrial complex as an integrated whole is now complete. Greater opportunities have been created. Now it is important to implement them in every rayon, oblast, kray, and republic.

From the very first days of their activity, agro-industrial organs are focusing their attention on accelerating the integration of kolkhozes and sovkhozes with processing industry enterprises and on eliminating the lack of departmental coordination and imbalances in the sector's development and are orienting all components toward the achievement of high end results. The restructuring is not easy. As before, some people in some places are allowing bureaucratic administration and petty tutelage of farm leaders and specialists in the management of agricultural production.

The new organizational forms of management also demand new economic approaches under which kolkhozes and sovkhozes would be motivated to produce more output, earn more income, and conduct their economic activity on the principle of self-financing.

The provision regarding the application of Lenin's idea of a tax in kind under present-day conditions, which was put forward in the report, is an example of the creative approach to the improvement of the economic management machinery and the more active utilization of the entire complex of goods-money relationships. Financial autonomy was weakened by denying the importance attached to the active influence of these relationships on enhancing people's motivation and production efficiency. The socialist market must play an important role in increasing the volume and improving the quality of output. There is nothing to be afraid of. The limits of the market are determined by the socialist system and by the state's key position in production and distribution.

We support this important theoretical provision and are convinced that its application in socialist building practice will have a favorable effect on the entire system of economic management. (applause)

A firm plan for state purchases, a system of economically substantiated prices, the stimulation of above-plan procurements, and, as part of the incentives, the countersale of material resources to kolkhozes and sovkhozes which have no stocks of them — all this is designed to impart a fundamentally new content to the economic machinery and accelerate agricultural production.

This will, of course, require the USSR Ministry of Finance, the USSR Gosbank, and the USSR State Committee for Prices to follow a flexible policy of price determination and credit finance for agro-industrial complex enterprises, a policy which would rigorously combine the interests of labor collectives and the state.

Congress delegates have correctly noted in their speeches that existing planning practice has become obsolete at the level that has been reached. It does not encourage the mobilization of internal resources.

The proposals concerning the improvement of the economic machinery which have been submitted to the Central Committee and the government envisage a transition to new planning methods which would be based on economic evaluation of land, provision of fixed capital and labor resources, and progressive norms. Such an approach will make it possible to set equivalent targets and to objectively evaluate the results of labor collectives' work.

It is also envisaged to considerably expand the rights of farm leaders and enhance their responsibility for plan fulfillment; the capital construction financing system is being simplified; and material incentives are being closely tied to the end results of labor.

The USSR State Agro-Industrial Committee and its local organs are faced with the paramount task of ensuring a high return from everything at the disposal of kolkhozes, sovkhozes, and other agro-industrial complex enterprises and, as the report indicates, of achieving already in the 12th 5-Year Plan period an appreciable improvement in supplies of foodstuffs to the population. Reserves do exist here, and they are considerable.

The point is to improve labor organization, strengthen technological discipline, and enhance the role of specialists as production technologists and organizers. The experience of front-ranking kolkhozes and sovkhozes, rayons, and oblasts testifies that this can be achieved wherever pay is closely tied to end results.

This is why the efforts of agro-industrial complex organs are, from the very first days, concentrated on introducing the team contract method everywhere and, wherever it may be dictated by specific conditions, also family and personal contracts. The USSR State Agro-Industrial Committee sets the following task: To transfer in the next 2 years basically all kolkhozes and sovkhozes to complete financial autonomy, which must become the main link of the cost-cutting [protivozatratnyy] machinery.

The regional conferences recently held in the country showed that much formalism is still tolerated in this work and that individual leaders and specialists are insufficiently familiar with

economic methods of management. We understand that much work remains to be done to improve economic management and the efficient utilization of levers like prices, profits, and profitability.

It is particularly important, comrades, to pull up the laggard farms. It is, after all, no secret that almost every oblast has kolkhozes and sovkhozes which systematically fail to fulfill state plans, have low profitability, or operate at a loss. Can we resolve this task? Of course we can, and we must!

Comrade Lobov, the delegate from the Udmurt party organization, spoke well yesterday about industry's assistance to the countryside. Every oblast has opportunities to help farms with material and technical supplies, the construction of housing, social projects, and roads, and the retention of cadres.

The boosting of these farms' economies is a major reserve in the implementation of the Food Program.

It is a key task of agro-industrial complex workers to boost production of grain, meat, and other products in order to fully satisfy the country's needs. The targets here are well known. They were set in the Food Program and were defined yet again in the speech by M.S. Gorbachev, general secretary of the CPSU Central Committee, in Tselinograd.

There is only one way to meet them — the acceleration of scientific and technical progress and a transition to intensive methods in crop farming and stockraising.

Here too, the human factor and work with cadres come to the fore. We have to create a comprehensive system for the training and retraining of machine operators, stockmen, specialists, and leaders and ensure that they keep constantly up to date with the achievements of agricultural science and advanced practice. It is cadres familiar with new equipment and progressive technology who are capable of ensuring a rapid rate of output production growth and improved quality.

Much work is being done now locally to introduce scientifically substantiated crop farming systems, make efficient use of fallow land, improve seed cultivation, and effect a broad transition to intensive technologies. These technologies will be used for the cultivation of grain crops on an area of 31 million hectares this year already.

The main attention in stockraising will be devoted to increasing livestock and poultry productivity on the basis of improving breeding work, creating a firm feed base on every kolkhoz and sovkhoz, and eliminating the shortage of feed proteins.

Comrades! The acceleration of scientific and technical progress and the intensification of agricultural production depend largely on the work of the capital-producing sectors and on supplies of equipment to the countryside and the quality of this equipment.

It must be noted, however, that the Ministry of Tractor and Agricultural Machine Building fails to meet deliveries of machinery for fertilizer application and plant protection and has still not started up production of about 250 types of machines which are extremely necessary for kolkhozes and sovkhozes, while the Ministry of Machine Building for Animal Husbandry and Feed Production has still not started up production of 80 types of such machines.

Delegates who have spoken were correct in noting that the question of raising the technological standard and reliability of agricultural equipment remains acute. The labor-intensiveness of the technical servicing of some makes of tractors is double or treble that of the best foreign models. The enhancement of the reliability of all types of agricultural equipment if only to the normative level would reduce farms' expenditure by about R2 billion and would release about 300,000 workers.

Rural working people also make serious demands of enterprises under the jurisdiction of the Ministry of the Production of Mineral Fertilizers and the Ministry of the Chemical Industry, which have failed to meet the set targets for deliveries of fertilizers, plant protection agents, feed preservation agents, sheeting, and other types of output.

It is necessary to fundamentally change the attitude toward the execution of orders from the countryside. The ministries and departments supplying material and technical resources to agro-industrial complex enterprises must perceive their participation in the solution of Food Program tasks as a matter of paramount importance.

Comrades! At this time agro-industrial complex workers are following the work of the 27th party congress with keen interest. They can see for themselves that, obeying the great Lenin's behests, the Communist Party is steadily leading our country along the path of creation and peace.

Great deeds lie ahead of us. Agro-industrial complex workers will do everything to implement the historic decisions of the 27th party congress. (applause)

Ryzhkov Report on Basic Guidelines at 3 Mar Session

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["On the Basic Guidelines for the Economic and Social Development of the USSR for 1986-1990 and the Period Through the Year 2000. Report by Comrade N.I. Ryzhkov, Chairman of the USSR Council of Ministers, 3 March 1986" — *PRAVDA* headline]

[Text] Comrade delegates!

Esteemed guests!

For almost 7 decades the CPSU has been confidently leading the country along the path mapped out by the great Lenin. The 27th CPSU Congress will occupy a particular place in the heroic history of the party and the people. It is destined to determine the strategy for our motherland's progress at an extremely crucial stage of communist building and to initiate radical transformations of all aspects of Soviet society's life.

The CPSU Central Committee Political Report to the 27th congress, delivered by M.S. Gorbachev, general secretary of the CPSU Central Committee, unfurls a majestic canvas of the creative activity of the party and people. Creatively and from the positions of the immutable principles of Marxism-Leninism, it profoundly substantiates the concept of the acceleration of socioeconomic development and reinterprets the entire complex of questions of party, state, and social life. The report determines in an innovative manner the strategy and tactics for the comprehensive improvement of socialism and the domestic and foreign policy of the CPSU and the Soviet State. On the basis of a profound class analysis, the correlation of forces in the modern world and the main trends and contradictions of its development are revealed and the increasing potential of the world socialist system is shown. Our position on a question troubling all mankind — the question of war and peace and of averting the nuclear threat — is spelled out with great incisive force.

The depth of the ideological content and theoretical thought, uncompromisingness in assessing the causes of the shortcomings and difficulties which have accumulated, and the realism and boldness in setting new tasks — all this gives grounds for regarding the CPSU Central Committee Political Report as a document of great historic significance. (applause)

The moral and political climate which has been established in the country under the influence of the CPSU Central Committee April (1985) Plenum and the passionate conviction of the correctness of the course adopted by the party which imbues the Political Report have determined the entire atmosphere of the congress' work. It is taking place in a businesslike and constructive manner and in a spirit of exactingness and great political responsibility on the part of the party to the Soviet people. The discussion of the CPSU Central Committee Political Report and the new edition of the party program has convincingly demonstrated the monolithic cohesion of the party ranks and the unity of thought and action of Soviet Communists and all Soviet people. (applause)

The draft Basic Guidelines for the Economic and Social Development of the USSR for 1986-1990 and for the Period Through the Year 2000 are an important political and national economic document submitted by the party Central Committee for examination by the congress. Their linchpin is the concept of acceleration advanced by the CPSU Central Committee April Plenum. The draft gives concrete form to the program tasks and objectives which are to be implemented by the end of this century and determines the most important directions of the qualitative transformation of productive forces and the social development of society.

The draft Basic Guidelines are fully in keeping with Soviet people's vital interests and hopes for the future. This was shown most forcefully by the genuinely nationwide scale of their discussion, in which approximately 110 million citizens participated. The entire course of the discussion and its nature testify again and again to the increased political maturity of working people and the profound interest of all strata of our society in strengthening the socialist motherland's might.

The draft Basic Guidelines have been greeted with great interest abroad. Understandably, attitudes to them differ. Our class opponents and enemies are attempting to distort the point and objectives of the plans which have been outlined. But, of course, they cannot fail to acknowledge their scale and boldness. Our friends, and primarily those in the fraternal socialist countries, see this document as a convincing manifestation of the new social system's advantages and its ability to resolve the fundamental socioeconomic problems of the age. They link with this the consolidation of our community and the strengthening of the positions of socialism, all progressive forces, and the cause of peace on earth.

I. The Economic and Social Development of the USSR in the 11th 5-Year Plan — Results and Conclusions

Comrades!

The Communist Party, invariably following Leninist traditions, has always combined a broad view of the long term with a realistic appraisal of the state of the economy and its potential for growth and with the objective analysis of the path traveled.

The draft Basic Guidelines summarize the results of the last 5-year plan. They give every reason for concluding that a considerable contribution to strengthening the country's economic might has been made through the labor of Soviet people. On this basis the people's prosperity has grown and our motherland's defense capability has been maintained at the requisite level.

At the same time, as is well known, the fulfillment of the targets mapped out by the 26th congress took place in a difficult and, at the initial stage, one can say, even an extremely complex atmosphere. The unfavorable trends which were manifested in the development of the economy in the seventies, far from being alleviated, actually intensified in the early eighties. And this had an impact on the progress of the fulfillment of the 11th 5-Year Plan. Growth rates continued to decline in the first 2 years. The qualitative indicators of economic activity deteriorated. In 1982 the rate of growth of industrial output was one-third lower than the average for the years of the 10th 5-Year Plan. The growth of the difficulties could not fail to influence the solution of most important problems in the social sphere too. Thus in the 2d year of the 5-year plan the population's real incomes virtually stopped rising.

A number of factors had an impact here. But the fundamental causes of the shortcomings lay in the fact that in practical activity, prompt consideration was not given to the changed economic situation resulting from the exhaustion, by and large, of the potential of extensive growth, and the requisite persistence was not displayed in utilizing the achievements of scientific and technical progress and restructuring the national economy and management in accordance with the demands of the times. Furthermore, both in the center and in the localities, many leaders continued to use outdated methods and proved unprepared for work in the new conditions. Discipline and order slackened intolerably. Exactingness and responsibility declined. The shameful practice of amending plans became a mass phenomenon. These years witnessed a deviation from the immutable principle of the socialist economy, for which the fulfillment of the plan is a law and a norm of economic life. A principled political assessment was not made of these phenomena, and the requisite

practical conclusions were not drawn.

After critically analyzing the resultant situation, the party took measures to strengthen the leadership of economic building and above all to improve organization and labor discipline. These met with nationwide support and gave a certain fillip to our forward movement. As a result, as from 1983, certain positive advances occurred, which somewhat improved the course of the fulfillment of the 11th 5-Year Plan.

	Total Vol. in 1981-85, Billion Rubles	Absolute Increase in 1981-85 Compared With 1976-80, Billion Rubles	Percent Growth in Total Volume in 1981-85 Compared With 1976-80
National income used for consumption and accumulation	2,398	353	117
Industrial output	3,778	628	120
Agricultural output (in 1983 prices)	1,010	53	106
Freight turnover, all types of transport (trillion ton-kms)	37.1	5.7	118
Commissioning of fixed capital	815	147	122
Capital investments	842	125	117
Retail trade turnover	1,466	226	118

During the 5-year plan national income increased by 17 percent and industrial output by 20 percent. Among the sectors of industry, the gas sector developed at a rapid pace. The country leads the world in terms of the volume of gas extraction. Electricity generation at nuclear power stations more than doubled. The production of certain types of machine building output increased at preferential rates. Certain advances also occurred in construction. Major measures to implement the Food Program were carried out, which made it possible to increase the volume of agricultural output. During the second half of the 5-year plan an improvement emerged in indicators of social production efficiency.

It should be emphasized that, despite all the difficulties, the party made the greatest efforts to implement the plans for improving well-being put forward by the 26th congress. The average monthly wage of workers and employees and kolkhoz members' remuneration improved and social consumption funds increased.

	According to Basic Guidelines Approved by 26th Congress	Actual Fulfillment
Average Monthly Wage of: workers and employees, 1985 as percent of 1980	113-116	113
Average monthly remuneration of kolkhoz members, 1985 as percentage of 1980	120-122	129
Social consumption funds, 1985 as percent of 1980	120	125
Commissioning of housing in 1981-1985, million square meters of total area	530-540	552
Commissioning of preschool institutions in 1981-1985, million places	2.5	2.9
Commissioning of general educational schools in 1981-1985, million places	4.3	5.2
Number of hospital beds, 1985 as percent of 1980	108-110	108.7
Graduation of specialists from higher and secondary specialized educational establishments in 1981-1985, millions	10	10.5

Pension provision and the health care system improved and state aid to families with children increased markedly. Considerable resources were channeled into the educational sphere and into implementing the school reform. As in the preceding 5-year plans, housing was constructed on a large scale. Over 10 million apartments were commissioned. The process of the social transformation of the countryside and of the narrowing of the gap between the living standards of rural and urban residents continued in accordance with the party's goals.

Thus a considerable amount was done during the 5-year plan. At the same time we must make an objective assessment of its results and reveal in a principled party fashion the serious shortcomings that are retarding our progress in order to draw the necessary conclusions for the future.

It must bluntly be said that it was not possible to fully reach the 5-year plan targets. Many sectors were unable to scale the planned heights. During the 5-year plan as a whole there were production shortfalls to the tune of 35 million metric tons of finished rolled metal products, 145 million metric tons of coal, over 50 million metric tons of oil, and R16 billion of consumer goods. The structure, technical standard, and quality of machines and equipment did not always accord with the national economy's requirements. The chemical and timber and wood processing industries systematically lagged behind. The main general construction ministries failed to cope with the plans year in and year out. We did not obtain a proper return on the great resources that were channeled into agriculture. There was a chronic failure to fulfill the efficiency targets, and scientific and technical progress was feebly implemented.

All this was bound to affect the overall results of the economy's development and its proportions and meant the loss of billions of rubles of national income. As a result a number of targets relating to the improvement of well-being, such as real income and retail trade turnover, were not fulfilled. The state of finance and money circulation was complicated.

Thus, comrades, the burden of the shortcomings that had accumulated over a long period was so great that it proved impossible to eliminate it within a short time. The individual measures that were taken could not end the negative trends in the economy and lead it onto the path of stable and dynamic growth. Fundamental transformations and a profound restructuring were needed, and the party persistently sought cardinal solutions to the tasks facing the country. It was toward precisely this kind of restructuring that the CPSU Central Committee April (1985) Plenum, which was a breakthrough in the life of our society, oriented Communists and the Soviet people. It is precisely this kind of restructuring that accords with the urgent needs and with the party's line of accelerating socioeconomic development. (applause)

Our national economy has all the preconditions for this — a powerful production, scientific and technical, and intellectual potential, skilled cadres, and natural resources. The most important thing now is to utilize the advantages and the growing potential of the planned socialist system and persistently implement the CPSU's economic strategy.

II. The Acceleration of the Country's Socioeconomic Development Is a Strategic Task for the Period Through the Year 2000

Comrades! The draft Basic Guidelines express in specific targets and figures the party's program goal of accelerating the country's socioeconomic development through the year 2000, achieving a qualitatively new state of Soviet society, profoundly transforming its productive forces, and improving production relations.

The choice of a 15-year timescale is dictated, above all, by the increased scale and complexity of the tasks facing the country, whose resolution goes beyond the bounds of one or two 5-year plans. At the same time this is the optimum period in which the most important achievements of the present stage of the scientific and technical revolution, taking into account the forecasts of its development, can be fully utilized.

The draft Basic Guidelines are based on scientifically substantiated studies for the solutions of major problems and comprehensive targeted programs that mostly cover the period through the year 2000: the Food Program, the Energy Program, and those for boosting machine building and the chemicalization of the national economy and the development of consumer goods production and the services sphere. Thus the 15-year timescale can really be surveyed and is based on a carefully checked foundation.

The economic heights that are to be scaled by the end of the 20th century are defined in complete accordance with the goals of the new edition of the CPSU Program. It is planned to double the volume of national income and industrial output. There will be a substantial increase and a fundamental transformation in the country's production apparatus. As a result, an economic potential approximately equal to that accumulated in all the previous years of Soviet power will be created over the 15 years and a major step will be taken in building the material and technical base of communism.

The supreme aim of social production under socialism is the steady improvement of the people's material and cultural living standards. At the present stage the Communist Party sets the task of raising well-being to a qualitatively new level.

Priority is being given to solving social problems in the sphere of labor — the main sphere of man's activity. Above all it is necessary to substantially reduce heavy and monotonous work. The proportion of manual labor will be more than halved. This will make it possible to release over 20 million people from unskilled work and to make their activity meaningful and satisfying.

Over the 15 years it is planned to radically solve vital problems of material prosperity and spiritual development which are especially important to all strata of society. It is a question above all of fully satisfying the growing effective demand for high-quality and diverse goods and services and of attaining scientifically recommended rational nutritional norms. By the year 2000 it is necessary to fulfill a task of great social significance — providing virtually every Soviet family with individual housing: an apartment or individual house. The implementation of that task will require the maximum mobilization of efforts and resources and the paying of constant attention to this vitally important question both in the center and at local level.

The system of education and cadre training and medical services are to be fundamentally improved and the material base of culture, leisure and sport, and the whole social sphere is to be considerably expanded and strengthened.

Clearly, these targets in social production and the people's well-being can be achieved within the planned deadlines only by substantially improving the efficiency and pace of our progress.

The question of pace has always been and remains a central one in the party's economic policy. It is acquiring fundamental importance and new meaning at the present stage in light of the concept of the acceleration of the country's socioeconomic development.

First, growing dynamics in national income are envisaged. Its growth rate will increase from an average of 3.1 percent per year in the last 5-year plan to 5 percent in the 14th 5-Year Plan. The negative trend of the decline in rates over the last three 5-year plans will thereby be overcome. The absolute growth in national income will increase to a still greater extent. As a result the total size of the national income produced in this period will be about R12 trillion, which is more than in all the preceding years of Soviet power. This kind of increase in the rate and absolute growth of national income is necessary in order to simultaneously solve large-scale economic and social tasks. It is also necessary in order to maintain the country's defense capability at the proper level.

Second, during the process of acceleration it is necessary to mold

a more harmonious production structure that is more fully in line with the growing and changing social needs. This means that each percentage point growth and every ruble must represent qualitatively new, efficient output possessing high consumer properties and needed by the national economy and the population. This is the immutable demand of the contemporary strategy of economic growth.

Third, and this is probably the most important point, the increase in pace must be achieved on a fundamentally new basis — the basis of all-around and consistent intensification. In putting forward this task the party is also indicating the main means of resolving it — the cardinal acceleration of scientific and technical progress and the scaling of great heights in science and technology. This is the accelerator of our progress, and its effect will increase from one 5-year plan to the next.

The party's approach to the question of intensification is comprehensive and large-scale. Our economy has reached a point where it can develop and develop rapidly not through the increasingly great buildup of resources, as before, but through all-around production intensification — intensification across the whole front. It is planned not only to increase labor productivity but also to reduce materials-intensiveness and the capital-output ratio and to transfer not individual sectors but the national economy as a whole to the path of intensification. This is the only correct way to accelerate economic and social development.

The main direction in solving the fundamental problems of socialism is ultimately the improvement of social labor productivity. A decisive step in implementing the program task bequeathed us by Lenin — attaining the highest world level of productivity — will be taken in the next 15 years. The Basic Guidelines envisage increasing labor productivity in the national economy as a whole by 130-150 percent by the year 2000. As a result the Soviet economy will embark on a qualitatively new path of development: For the first time production growth will be ensured at the same time as requirements for manpower resources decrease. Thus still greater potential will open up for solving many social problems. All this will make it possible to mold the structure of the distribution of manpower resources more rationally, in light of the increasing dynamics of the national economy, while at the same time ensuring full and effective employment of the population, which follows from the nature and essence of the socialist social system.

The document under discussion lays down a fundamentally different approach toward satisfying the economy's requirements for material resources. While in preceding years these needs have been covered chiefly by increasing production, in the future the task is being set of ensuring that 75-80 percent of the increase in requirements for fuel, energy, raw materials, metal, and other materials is satisfied through savings. The following illustration gives an idea of the national economic effectiveness of this direction in development. If the nature of the economy's growth remained as before, by the end of the century we would require approximately 50 million metric tons more rolled metal products than currently projected. The implementation of the course of resource-saving will make it possible to considerably reduce the energy- and materials-intensiveness of production.

The intensive buildup and technical improvement of the production apparatus make especially high demands on the return on capital. Unfortunately, the negative trend of a decline in it has still not been overcome. Over the next 15 years it is planned to make a breakthrough in the dynamics of this indicator aw well: During the first stage — the first half of the nineties — the return on capital is to be stabilized, and then its growth is to be ensured.

The implementation of a new technical reconstruction of the national economy on the basis of the achievements of the scientific and technical revolution is a task of truly historic importance. Only in this case will all-around intensification be based on a firm foundation. It is a question of rapidly renewing and qualitatively improving the country's material and technical base. It is very important that its high level be constantly maintained and match up to world achievements. This process must embrace all sectors. Every ministry and every enterprise must have a specific program for the systematic renewal of production capital and persistently implement it. This is necessary in order to resolve not only economic, but also major social issues.

Those are the aims and the main tasks of the development of the economy and the improvement of the people's well-being that the party is putting forward for the long term. They are impressive. Their implementation will substantially advance the country along the road of social progress, will greatly strengthen its economic position in the world, and will raise still higher socialism's attractiveness. In order to implement what has been planned it will be necessary to mobilize all our efforts and reserves and to bring into play all factors for the growth of socialist production and the improvement of its efficiency.

The main thing is the activation of the human factor in every possible way. It is precisely through labor that our plans are implemented and embodied in specific deeds. Therefore a most important political task is to ensure that every working person takes to heart the party's program tasks and sees them as his own vital concern and as something according with his interests and the interests of all society. This is the reliable guarantee of our motherland's prosperity and of new successes in communist building. (applause)

The profundity and scale of the projected transformations demand that work to lead the national economy be raised to a new and higher level. All sectors and republics must have clear guidelines for the next 15 years. Only thus will we be able to clearly outline the stages in our growth, ensure the continuity of the goals and tactics of economic management through the end of the current century, and determine the place and role of each 5-year plan in implementing the party's economic strategy.

III. The 12th 5-Year Plan Is an Important Stage in the Implementation of the Party's Economic Strategy

The 12th 5-Year Plan is the first and extremely crucial stage of the practical implementation of the party's long-term economic strategy. During these years substantial growth is to be ensured for our economy and it has to be placed in a higher trajectory of development — the trajectory of acceleration.

The chief task of the 5-year plan is defined from these positions.

It consists in raising the pace and efficiency of the development of the economy on the basis of the acceleration of scientific and technical progress, the retooling of production and its reconstruction, the intensive utilization of the production potential that has been created, the improvement of the system of management and of the economic machinery, and the attainment on this basis of a further boost to the well-being of the Soviet people.

Permit me to report to you, comrade delegates, that the indicators for the growth of social production and its efficiency which are envisaged in the Basic Guidelines fully ensure the implementation of the chief task of the 12th 5-Year Plan.

The dynamic nature of the national economy is vividly and convincingly reflected in the growth of the absolute increases of the most important economic indicators. The increase in national income will grow in the period 1986-1990 by a factor of 1.6. Let us note that in the last 5-year plan this indicator fell.

	Absolute increases, billion rubles		Average annual increases, as percentage	
	1985 in comparison with 1980	1990 in comparison with 1985 according to draft Basic Guidelines	11th 5-Year Plan	12th 5-Year Plan according to draft Basic Guidelines
Natl. income used for consumption & accumulation	71	96-111	3.1	3.5-4.0
Industrial output of which: production of means of production (Group A)	99	123-142	3.6	3.7-4.2
production of Consumer items (Group B)	36	46-52	3.9	4.1-4.6
Agricultural output (increase in average annual production in comparison with previous 5-year plan in 1983 prices)	11	28-32	1.1	2.7-3.0
Retail commodity turnover	46	59-73	3.1	3.4-4.0
Volume of sales of paid services for the population	9.8	13.7-18.2	5.0	5.4-7.0

As a result, the volume of national income will reach R614 billion in 1990 and the volume of industrial production will reach R1 trillion. By the beginning of the last decade of the 20th century this pace and scale will characterize our economy.

The 12th 5-Year Plan will also have another distinctive feature. It is designed to lay the foundation for a growth in the pace of the country's socioeconomic development in the subsequent decade. This will require, during the shaping of national economic proportions, that special attention be paid to the policy of capital investments. During the last three 5-year plans a constant and substantial lowering of their growth rates has occurred which could not fail to take effect in terms of a slowing of the renewal of fixed capital, of the increase in capacities and, ultimately, of the development of the national economy.

Proceeding from the course toward acceleration, the CPSU Central Committee has deemed it expedient to embark on increasing the rate of growth in production capital investment in the 12th 5-Year Plan to 25 percent as against 16 percent in the last 5-year plan. Naturally, this entails a certain change of proportions in the distribution of the national income — an enhancement in it of the role of the accumulation fund. This manuever is essential for attaining both current and strategic goals. Subsequently it is planned that the share of accumulation will be stabilized and even reduced somewhat.

It should be stressed that this maneuver will be carried out under conditions of an enhancement of social production efficiency which will make it possible to considerably increase the absolute size of the consumption fund which determines the material standard of living of Soviet people. I shall cite the following data. Over the 12th 5-Year Plan the increase in the consumption fund will be R74 billion as compared with R55 billion in the last 5-year plan. The growth of the population's real incomes will be accelerated. This feature of development fully accords with the party's long-term course toward intensifying the social thrust of these plans.

In the 12th 5-Year Plan it is planned to take a decisive step in the implementation of an urgent economic and political task — the task of switching the national economy to an intensive path of development. An increase in end results is envisaged with a substantial diminution of the increase of the most important resources and a simultanous improvement of all qualitative indicators of work.

	Increase over 5-year plan (as percent)		Increase (plus) or decrease (minus) of rates of increase
	1981-1985	1986-1990 according to draft Basic Guidelines	

I. Production results			
Natl. income, used for consumption and accumulation	17	19-22	plus 2-5
Industrial output	20	21-24	plus 1-4
Agricultural output (average annual volume)	6	14-16	plus 8-10
II. Most important resources			
Number of people employed in physical production sectors	2.3	0.5	minus 1.8
Fixed production capital	37	30	minus 7
Production of objects of labor	17	15	minus 2

The Basic Guidelines envisage an increase in social labor productivity of 20-23 percent as against 16.5 percent in the last 5-year plan. For the first time virtually the entire increase in the national income, industrial output, and other production sectors will be obtained, it is planned, through increasing labor productivity. This is one of the fundamental distinctive features of the new 5-year plan. Over these years the increase in labor resources will diminish and amount to only 3.2 million persons. Without the planned increase in labor productivity, the national economy would need more than 22 million additional workers. We simply do not have such labor resources at our disposal. It seems possible in the 12th 5-Year Plan not only to manage with the available increase, but also to channel it virtually entirely into education, public health, and other sociocultural sectors whereas in the last 5-year plan the increase in labor resources was divided approximately equally between production and nonproduction spheres.

In accordance with the line drawn up by the party, the solution of such an important task as the transformation of the economy into the main source for satisfying additional fuel, raw material, and other material requirements is being substantially accelerated. During the next 5 years it is planned to cover, through this, 60-65 percent of the increase in the requirement for the most important resources. As a result, the saving of physical expenditures for the national economy as a whole will double in 1990. The country has never known resource savings on such a scale. This reflects the objective needs of the contemporary stage of our development.

The ways of solving the problem of resource saving are multiform. Above all it means the broad utilization of the latest equipment and technology, modern organizational forms, and of an effective economic mechanism. And of course, it means the creation of the kind of material conditions and moral-ethical climate in each collective whereby the working people and all Soviet people will become interested and energetic participants in this great cause.

One of the important avenues of work is the maximum utilization of secondary resources. At the moment they still account for only a small proportion of production consumption although in certain republics — the Ukrainian SSR, for instance — much positive experience has been accumulated. The great achievements of the fraternal socialist countries in this sphere are well known. In the long term it is planned that the proportion of secondary resources will be increased substantially and reach an average of at least 10-12 percent. The leaders of ministries and union republics must radically alter their attitude to this matter. Figuratively speaking they frequently sit on top of tremendous wealth yet at the same time complain of a shortage of raw materials. Nor must one forget the colossal damage which is being caused to the environment in this. USSR Gosplan and USSR Gossnab are obliged to approach the utilization of secondary resources from principled positions in the interests of the state.

Among the most important problems of enhancing efficiency, perhaps the most acute and urgent is the quality of products and work operations. This is not just an economic issue but also a political one. Over a brief historic period we have taken a foremost position in the world in terms of the volume of production of many types of products. We now can and must tackle the problem of quality with no less persistence. The national economy has approached the stage when no major production or social task can be solved without a radical improvement in the state of affairs regarding quality.

The improvement of the quality of output is, in the final analysis, also a question of its quantity, the saving of resources, and the fuller satisfaction of social needs. Here is one example. It is well known how acute the question of tires is in the country. The Ministry of the Petrochemical Industry also knows about this. The most economical way of solving this task is to increase tire life. Increasing this indicator by 10 percent is equivalent to the annual output of 6 million tires. This is vitually as many as we are short of today for satisfying the needs both of the national economy and of the public. And many such examples could be cited.

The draft Basic Guidelines schedule an approximate doubling over the 5-year period of the proportion of industrial products in the top-quality category. Here it is essential to substantially enhance the role and the objectivity of certification. An urgent task today is the efficient use of an economic mechanism which inevitably materially and morally punishes those enterprises which tolerate low quality. On the other hand, the labor collectives which produce modern, high-quality products — and we have many of these — must be encouraged, and encouraged generously. Important decisions have now been taken in this direction: Substantial additonal payments and rigorous sanctions have been introduced. Enterprises and associations should restructure their work rapidly in order that new requirements regarding quality should never suprise anyone.

Enhancing quality is a nationwide task and it can be solved only by the efforts of all tiers of management, all enterprises, and all workers, relying on the achievements of modern science and technology and the initiative and creativity of the masses. It is necessary here to operate by every means: economic, administrative, and educational. Half-measures are inadmissible here. The maximum mobilization of forces is needed, and also persistence and consistency in the implementation of the measures being adopted. That is how the question of quality is posed in the CPSU Central Committee letter which it addressed to all working people. And that is how it must be tackled. (prolonged

applause)

Comrades! The draft Basic Guidelines define extremely crucial and strenuous targets for the growth of production and of the people's well-being. For these years the full provision of the Soviet Armed Forces with everything necessary for the defense of our motherland is envisaged. The 12th 5-Year Plan which puts a start to the implementation of the long-term strategy of the party, must become a turning point in all respects: both from the viewpoint of growth rates and from the viewpoint of efficiency. It must also become a turning point in the organization of the fulfillment of the 5-year plan.

Conclusions must be drawn from the lessons of the past when the center of gravity in the fulfillment of the 5-year plan used to be shifted toward its final years. In accordance with a CPSU Central Committee directive in 1986 — the first year of the 5-year plan — the kind of national economic development rates are envisaged which will make it possible to distribute the 5-year plan targets more rationally and thereby create real conditions for its fulfillment. All this requires strenuous work form the very start of the 5-year plan and it sets the necessary rhythm for subsequent years.

While mobilizing immediate organizational and social reserves, no time must be lost and key, long-term factors for acceleration must be brought into action, above all, scientific and technical progress. Only by linking these avenues of work together as one will we translate our plans into reality and solve the social tasks which have been outlined.

IV. Paths of Intensification of the Economy in the 12th 5-Year Plan

1. The Acceleration of Scientific and Technical Progress — the Main Lever for Intensification

The party's course of comprehensive intensification rests on the vast potential of the present stage of the scientific and technical revolution. Vladimir Ilich Lenin's words are now more relevant than ever: "...In order to build communism it is necessary to [illegible] both technology and science and set them to work..." Today, "setting science and technology to work" means accelerating scientific and technical progress in the priority avenues and ensuring the rapid, large-scale assimilation of everything advanced and the qualitative transformation of production forces. This also means the joint elaboration and effective utilization of scientific and technical achievements by the socialist community states and active participation in the world division of labor.

Our country has always paid particular attention to the development of science and technology. In a historically short space of time a mighty scientific potential was created, which made it possible at each stage to successfully resolve major national economic and defense tasks. But it is no secret that while possessing considerable scientific developments and leading ideas, we often lag behind in the assimilation of progressive technologies, even those which originated in our country. This situation can only be explained in terms of errors by ministries in their technical policy, and sometimes their reluctance to look ahead.

At the CPSU Central Committee April (1985) Plenum and the conference at the Party Central Committee in June of last year. The question of resolutely eliminating obstacles in the path of scientific and technical progress and ensuring cardinal, revolutionary shifts in all its avenues was posed with the utmost urgency on the basis of a profound analysis. The strategy for management of the acceleration of scientific and technical progress elaborated by the party consists, first, in advancing along a broad front in science and technology while concentrating available resources in the key avenues. Second, offering scope for the mass utilization of reliable technical innovations which have been tested in practice, so as to obtain the maximum return before they become obsolete. Third, pursuing scientific, planning, and design developments rapidly and purposefully so as to ensure the creation and assimilation of fundamentally new machinery and technology which will increase labor productivity many times over. In the 12th 5-Year Plan the resolution of these issues is placed on a practical footing.

One of the most important avenues of scientific and technical progress is the wide assimilation of leading technologies. Only by embarking on this path will we be able to carry out a shift leading to a qualitatively new condition not only of individual types of production, but of entire sectors. In the 12th 5-Year Plan it is planned to increase by 50-100 percent the use of progressive technologies which are basic to each sector. A notable place will be occupied by fundamentally new technologies, like membrane, laser, and plasma technologies, technologies using superhigh pressures and pulse loads, and so forth. The scale of their application will increase several times over, which will undoubtedly produce major economic savings.

Another avenue is production automation and mechanization. These are called upon to radically transform jobs and make the labor of workers, kolkhoz members, and the intelligentsia more productive, creative, and interesting. This is one of the most important social tasks which the party sets itself. The level of automation in the national economy will double, on average. In industry, it is planned to introduce some 5,000 automated systems of control of manufacturing processes.

The present stage of automation is based on the revolution in comnputer technology and the introduction of electronics in the national economy. During the 5-year plan years it is planned to create and assimilate new generations of all classes of computers — from supercomputers to personal computers for study in schools. The total output of computer means will increase by 130 percent in the 5 years. The tasks is set of widely introducing electronics in machines and equipment produced for all sectors. The future belongs to this technology.

A characteristic feature of automation in the 12th 5-Year Plan is the rapid development of robot technology, rotary and rotary conveyor lines, and flexible automated production units which ensure high productivity. The pool of industrial robots, for instance, will be trebled in the 5 years.

As you can see, the scale is substantial. A fundamentally new approach is necessary to the utilization of this progressive and, it must be said, costly technology. Yet at present it is utilized extremely inefficiently in many ministries. Thus according to the

USSR People's Control Committee figures, at enterprises of the Ministry of the Electrical Equipment Industry highly productive processing centers are not fully exploited and some are simply idle. At many enterprises of the Ministry of Tractor and Agricultural Machine Building and the Ministry of Power Machine Building the shift index for machinetools with digital program control is less than one. This practice, if you can call it, discredits the potential inherent in sophisticated technology and does great economic damage, and order must be imposed immediately in this matter.

It is planned to ensure a substantial reduction in the materials-intensiveness of production through the mass use of efficient types of met. products, plastics, and other progressive materials. Their output will increase by more than one-third over the 5 years, with only a 6-percent growth in traditional materials. Tremendous prospects are opened up by the use of fundamentally new structural materials developed by our scientists, which have properties many times superior to those now in use. I refer, in particular, to composites. In the 12th 5-Year Plan their manufacture will increase 10- to 12-fold.

The scale of assimilation of new machinery and technology planned for the 5-year plan as a whole will account for more than two-thirds of the increase in the productivity of social labor and a R28 billion reduction in prime cost in industry.

The rapid course of development of science and technology requires the continuous, increasing replenishment of the arsenal of scientific ideas and developments. Here a crucial role belongs to fundamental research and to our USSR Academy of Sciences, which has fine traditions and outstanding achievements. VUZ science can also do much. But their discoveries will bring results only on condition that they are taken up in good time and utilized — that is, given efficient and harmonious work by all links in the "science to production" cycle.

Sector science is a very important link in this chain. It has a developed network of scientific research institutions and design bureaus where great scientific forces are concentrated, and where these are skillfully utilized the results are good. But that is not the case everywhere. Sector organizations not infrequently mark time for years and merely tick over. Their activity is sometimes oriented toward the protection of narrow departmental interests, has lost its creative character, and is marked by concern with trivial topics and the scattering of resources and forces. The leaders of many ministries, knowing this, display inertia and irresponsibility in the utilization of the vast scientific and technical potential. At the same time they display enviable activeness in acquiring machinery and technology from abroad which could be successfully created by their own efforts. This damaging practice must be given a strict, principled party assessment.

The headlong pursuit of imported machinery and technology which obsesses many leaders has a demoralizing effect on collectives of researchers. Seeing how easily equipment can be acquired from abroad, they basically lose enthusiasm, their work becomes less intense, and they give up in the face of difficulties. We are far from unwilling to utilize the results of the international division of labor and the exchange of scientific and technical knowledge, but we must rely first and foremost on our own vast scientific potential. (prolonged applause) In the new 5-year plan we have to resolutely restructure sector science, bring it as close as possible to production, strengthen the material base and especially the experimental base, and supply it with modern instruments and scientific equipment. It must bear full responsibility for the sector's scientific and technical level, and that must be the most important factor in assessing its activity.

The plant sector of science requires special attention. This sector is closest of all to production, is organically involved in it, and, as practice shows, can ensure a significant reduction in the time taken to develop and produce new technology. Such associations as Elektrosila, Uralmash, the Ivanovskoye Machine Tool Production Association, and others owe their reputation largely to the plant scientists, designers, and technologists. This sector of science must be developed at a preferential rate and sector scientific research institutes must be incorporated boldly into its framework. Work to organize science-and-production associations should be carried out more rapidly. These must be constantly at the forefront of scientific and technical progress. This process has already begun in machine building. It must be taken up actively in other sectors.

Intersector scientific and technical complexes have recently begun to be created in the country on the basis of the experience of leading scientific organizations. These are in the main avenues of scientific and technical progress and are an effective new form of combining science and production.

And of course, what is most important is to ensure the necessary economic, social, and organizational preconditions for creative labor by engineers, scientists, and designers. They are the generators of scientific ideas and developments; the technical level of production depends first and foremost on them. In view of this, a number of important decisions have been adopted with the aim of stepping up their activity, increasing their social prestige, and providing incentives for their labor.

New forms of payment which have proved themselves in practice are being introduced. These make it possible to provide incentives for labor which yield high creative returns and to overcome leveling tendencies. At one time many leaders insisted on their introduction. It is therefore difficult to explain why it is that today no more than around 10 enterprises and associations have gone over to the new forms of payment. All this shows how strong inertia is in matters of scientific and technical progress and how necessary energetic, large-scale actions are.

It is necessary to resolutely restructure the economic machinery in the interests of accelerating scientific and technical progress in every sector of the economy. But we must be aware that this machinery will not yield results in itself, unless there is a simultaneous increase in the responsibility of economic leaders, and first and foremost ministers. It is incumbent on them to bear full responsibility for the technical level of production in the sectors.

In the resolution of new tasks in the sphere of scientific and technical policy, much depends on the USSR State Committee for Science and Technology, which has yet to find its place and reorganize its work in light of today's demands. It should concen-

trate on the coordination of the main avenues of scientific and technical progress, the exercising of direct leadership of intersector scientific and technical complexes, and the organization of scientific information in the country. A very important new avenue in its work is the coordination of work to implement the Comprehensive Program for Scientific and Technical Progress of the CEMA Countries Through the Year 2000. And lastly, in order to ensure that scientific and technical progress becomes an integral part of our plans and of all economic life, the entire system of management of that progress must be radically restructured. This applies to the practice of planning, the system of financing, pricing, and incentives, and the entire economic machinery.

In a word, comrades, the priority task of the 12th 5-Year Plan is to ensure that any engineering or economic decision is examined from the viewpoint of the constant growth of the contribution of science and technology to production. Socialism's economic system makes it possible to systematicaly assimilate the potential of the scientific and technical revolution. Unlike the situation under capitalism, where the great achievements of science and technology lead ultimately to the exacerbation of social contradictions, in the hands of a socialist state they are a mighty transforming force for social development. Here the historical advantage belongs to socialism, and it must be utilized to the full. (applause)

2. Investment Policy and Capital Construction

An active investment policy is an effective tool for the implementation of the party's economic policy. At every stage it is subordinated to the solution of the main tasks facing the country. The new element of investment policy in the 12th 5-Year Plan period is the fact that it is targeted toward the acceleration of scientific and technical progress and the qualitative transformation of the material base and structure of production.

Capital investment growth will increase substantially from R125 billion in 1981-1985 to R170 billion in the current 5-year plan period. Their total volume will reach almost R1 trillion.

It is not, however, only the enormous size of capital investments that is at issue. The success of investment policy is determined largely by the extent to which resources are efficiently utilized, the way in which their sector and reproduction structure is organized, and how the actual process of capital construction is organized. All these questions were comprehensively studied while the Basic Guidelines were being drafted.

One of the 12th 5-Year Plan's important features is the significant — 80 percent — increase in capital investment in the machine building complex, the complex where the achievements of scientific and technical progress materialize. Particular stress is placed on the development of machine building sectors which ensure qualitative progress in the technical standard of machine building itself. Material foundations are thus laid for the acceleration of scientific and technical progress.

Particular attention among base sectors will be devoted to the fuel and energy complex. The reliable provision of fuel for the national economies of our own country and the socialist community states at a time when its extraction and transportation are becoming increasingly complex, required a 47 percent increase in capital investments in this sphere, while the rate of their growth will more than approximately double in the development of production processes ensuring efficient methods for the extraction and processing of fuel.

In line with the Food Program, one-third of all capital investment will be channeled in the agro-industrial complex. Priority in this will be assigned to the sectors processing agricultural raw materials — capital investment in these sectors will increase by 51 percent, whereas the overall increase will total 22 percent. This will help overcome the serious imbalances hindering end product growth.

A characteristic feature of the new 5-year plan is that emphasis is placed on the retooling and reconstruction of existing production. The share of capital investment allocated for these purposes will increase from 37 percent in 1985 to 50 percent in 1990. This share will be even higher in sectors and rayons where the production apparatus is particularly obsolete.

The change of the reproduction structure of capital investments makes it possible to significantly accelerate the renewal of the production apparatus and overcome the recently emerged trend of its aging and obsolescence. The coefficient of annual withdrawal of obsolete equipment will increase on average to 5-6 percent, in other words to a level ensuring the planned national economic efficiency. This scale of renewal will make it possible to substantially reduce expenditure on capital repairs. It is evident that, in order to solve these questions, serious changes will have to be made to depreciation policy. As the economy's sectors are transferred to the new economic machinery, the basic role in retooling and reconstruction will be played by the funds for enterprise and association development accumulated by labor collectives. This, in turn, will demand a fundamental change in attitudes toward these funds. Enterprises must know for certain that the basic source of their retooling will be primarily backed by all necessary resources. Particular responsibility for this will be born by central economic departments and, of course, by ministries, which continue to act in the old way on this issue. This has been the subject of fair comment in congress speeches.

The priority of retooling and reconstruction will require certain restrictions on new construction, particularly in the European part of the country. New construction will take place only for the purpose of implementing major structural changes, creating sectors called into being by the contemporary stage of the scientific and technical revolution, and developing natural assets. Widespread retooling coupled with vitally necessary new construction — this is our principled policy.

The central element in investment policy is the fundamental restructuring of capital construction and enhancement of its efficiency. Many unresolved problems have accumulated in this sector over a number of years. There have been crude violations of project construction schedules, costs have been allowed to escalate, and there has been excessive growth of incomplete construction and stocks of equipment awaiting installation. A totally abnormal situation has developed, with the unsatisfactory work of construction organizations and the weakness of their industrial base restricting economic development in some regions

and inflicting tangible damage to the rational deployment of productive forces. There is no doubt that the state of affairs in the construction industry has also been affected by the general decline of discipline and responsibility which occurred in previous years.

The problems of capital construction must be resolved without any further delay by using all measures, both economic and organizational. A number of resolutions have been adopted recently aimed at improving the state of affairs in the sector. Their unconditional implementation must yield the expected return already in the next few years. It is obvious, however, that the work will not end there.

In the first place, it is necessary to resolutely eliminate the dissipation of funds. We have been talking about this for a long time, and yet over 300,000 large and small projects are simultaneously under construction in the country. This number is intolerably large, even given the vast scale of our economy. The CPSU Central Committee has instructed that order be imposed here. Starting in 1987, it is planned to transfer to planning and construction work strictly in line with normative schedules.

This is no simple matter. It could be extremely painful for some people. It cannot be ruled out that a number of nonpriority projects may have to be shelved and that resources and funds may have to be redistributed. But this will have to be done.

It is necessary to narrow the construction front. Only in that way will we be able to really resolve the task of at least halving construction time. All ministries, departments, and union republics must immediately begin thorough preparation for this work.

The implementation of the 5-year plan's investment program will demand a higher level of industrialization in capital construction. It must be placed on a fundamentally different material and technical base. The old one, laid in the late fifties and early sixties, has been largely exhausted. The new base must rely on the latest achievements of science and technology both at home and abroad and must help transform construction work into an integrated industrial-construction process. The draft Basic Guidelines envisage an increase in the number of projects constructed from prefabricated components and in deliveries of machinery; the use of aluminum, plastics, and new materials is planned to increase 50-100 percent. All this will make it possible to substantially improve the organization of construction work and boost productivity and efficiency in construction while reducing costs. Much still remains to be done, however, and we will return time and again to the question of industrialization of capital construction.

It is equally important to achieve a fundamental improvement in construction design work. A particular role in this work must be played by designers themselves. It is on them that the technical level of production and the increased efficiency of capital investments largely depend. They must play the role of accelerators of scientific and technical progress in all sectors of the national economy.

We have wonderful examples of new enterprises and enterprises due for reconstruction being designed and built according to the latest word of engineering and technology. At the same time it often happens that obviously outdated solutions are incorporated in the designs, and errors are committed in determining the estimated costs of projects. During the first 4 years of the last 5-year plan period the cost of projects under construction increased by R11 billion, which is 24 percent of the initially approved costs. Moreover, technical and economic indicators deteriorated at one-half of these projects. Here we have the answer to numerous requests to increase capital investment in production. Here we have a major source of funds for solving many social problems.

Responsibility for the unsatisfactory state of affairs in design work rests not only with designers but also with ministries and departments. It is they who give the go-ahead to backward projects. According to USSR Stroybank data, 25 percent of projects carried over into the 12th 5-Year Plan period which, according to ministries' conclusions, correspond to the modern level of scientific and technical progress, were elaborated 10-20 years ago. This is a very alarming fact. You do not need to be a great expert to understand that such projects cannot meet modern requirements. This situation prevails in many ministries. For example, the USSR Ministry of Nonferrous Metallurgy confirmed the technical standards of 69 projects approved in 1965-1975, with the Ministry of the Automotive Industry confirming another 20. The average design age of these construction projects at the time of their commissioning is 20 and more years. Comment is superfluous, as they say.

The USSR Gosstroy has an obligation to do much to improve design work. Without supplanting ministries and design organizations, it must implement a uniform scientific and technical policy in construction, elaborate a system for evaluating the quality and technical standard of projects, and make extensive use of design competitions in practice.

And finally, the paramount task is to restructure management in the construction industry. There is, perhaps, no other sector where work to improve management and the methods of economic activity has been so neglected. Yet this work is urgently needed in this sector more than anywhere else. Here it is necessary to eliminate fragmentation and multi-level management and to find the best combination of centralization with the broadening of the rights and enhancement of the responsibility of union republics and local organs.

It is therefore necessary to improve all elements in capital construction. It has to be said most definitely that the feasibility of our plans largely depends on this. (applause)

3. Structural Policy and the Development of National Economic Complexes

At all stages of the development of the national economy our party has attached and continues to attach exceptionally great importance to structural policy, the choice of priorities, and the shaping of intersector and intrasector proportions.

The draft Basic Guidelines define in detail the most important targets for improving the structure of the national economy and developing its sectors and the heights which it must scale. Permit

me to dwell purely on the most fundamental avenues of structural policy in the 12th 5-Year Plan.

First and foremost this means ensuring the preferential growth of end products — machines and equipment, consumer goods, and prefabricated construction projects — in comparison with so-called intermediate [promezhutochnyy] products — fuel, raw materials, and semimanufactures. In 1986-1990 for each ruble of growth in the value of raw and other materials the growth in end products will be 40 percent greater than in the last 5-year plan. In industry this process is reflected in the fact that the growth rates of processing sectors are twice as high as those of fuel and raw material sectors. This shift depends to a considerable extent on a policy of resource-saving.

Another feature is the acceleration of the development of sectors which are called upon to ensure that the national economy reaches the most advanced world scientific and technical standards in the electricity and chemical and petrochemical industries, and, of course, machine building. Their share of industry will be 41 percent by 1990.

And finally, and this is very important, all sectors without exception will be oriented to a greater extent than before to produce consumer goods and to develop the services sphere. It is planned to step up the preferential development of group B industries in comparison with group A industries.

The most substantive structural shifts are linked with the intensification of the preferential growth of machine building. During the development of the Basic Guidelines, the party Central Committee pointed to the danger of underestimating the leading role of machine building and the need to overcome the emerging trend whereby its growth rates were moving closer to those of industry as a whole. In the 12th 5-Year Plan the development rates of this sector will be 90 percent higher than in industry as a whole. This preferential development is extremely important since it makes it possible to strengthen machine building's priority positions in the national economy.

The most important task for machine building workers is to change the structure of production and improve the qualitative features of machines and equipment. It is planned to bring the annual renovation of machine building output up to 13 percent in 1990 as against 4.5 percent in 1985. Under conditions of the preferential growth of machine building this will provide a real basis for retooling the country's production apparatus on a modern foundation.

Particular importance is attached to the modernization of machine building itself, whose technical standard depends first and foremost on the development of machine tool building, instrument-making, electronics, and electrical equipment. That is why they will grow considerably more rapidly than machine building as a whole. At the same time each machine building ministry must develop its own machine tool building intended for the sector's specific needs.

The tasks facing machine-building required an improvement in the running of this complex sector. A USSR Council of Ministers Bureau for Machine-Building has been formed. It is starting work.

Notable changes are planned in the range of building materials. The main thing here is to increase the proportion of progressive and economic types of these materials. Thanks to this the national economy's growing need for building materials will be satisfied even given their considerably lower production growth rates. This will be the complex' important contribution to resolving the problem of resource-saving in the country.

For instance, as a result of the wide-ranging retooling of ferrous metallurgy the structure and quality of metal products will improve. This will make it possible to achieve a growth of 21-24 percent in all industrial production and a 40-45 percent growth in machine-building and metalworking over the 5-year period on the basis of only a 9 percent increase in the production of finished rolled ferrous metals. At the same time, the more rational use of metal — first and foremost in machine-building and construction — must be ensured.

In nonferrous metallurgy the main stress is laid on making comprehensive use of resources and increasing production of new types of output. The replacement of metals and other traditional materials with synthetics [khimicheskiye] will accelerate. Production of the latest types of plastics will increase by almost 500 percent. Preferential rates are also planned in the production of progressive wood products.

The improvement of the correlation between raw material extraction and the production of finished output will be no less important an avenue in the development of this complex. Thus, the volume of rolled ferrous metals will increase with virtually no growth in ore extraction or in the production of cast iron and coke. Production of processed wood products will grow by 16 percent for each cubic meter of hauled lumber. It is planned to achieve all this by improving the technological standard of the sectors.

Ensuring the reliable development of the entire national economy requires the further strengthening of the fuel and energy complex. In accordance with the Energy Program, the Soviet Union will implement major shifts in the structure of the fuel and energy balance. By the end of the 5-year plan the preparation of nuclear-generated electricity will have almost doubled and will amount to more than 20 percent of all electricity production.

In the 11th 5-Year Plan the USSR Ministry of Power and Electrification allowed the commissioning of capacities at nuclear power stations to be disrupted, which gave rise to an additional requirement for fossil fuel. Taking account of the tightness of the country's fuel balance and the growing role of nuclear power, such disruptions will be impermissible in the future.

The proportion of gas in fuel and energy resources will grow to 38 percent. The gas industry is coping quite well with its tasks. But there are no grounds for complacency. For after the Urengoy field reaches its rated capacity, growth in gas extraction will mainly be accounted for by the Yamburg field. The main thing now is to accelerate the rate at which facilities are provided at the fields. It is also necessary to create a good headstart for the

future.

The state of affairs in the oil extraction industry, particularly in West Siberia, requires considerable improvement. By the end of the 5-year plan West Siberia should be producing two-thirds of all-union oil extraction. The stoppages in this sector's work have created difficulties in the economy. The Ministry of the Petroleum Industry and the Main Administration for Petroleum and Gas in the Tyumen Region and its enterprises were unprepared for work under conditions of reduced output from wells in the major fields. The prevailing lags must be overcome in the shortest possible period. The party and government have given substantial help to the oilmen. Success now depends on the ministry's organizational work and its keenness to ensure the unconditional fulfillment of the targets stipulated in the Basic Guidelines and the mobilization of labor collectives to that end. Local party and economic organs are called upon to play a great role in ensuring the planned volumes of oil extraction.

In the coal industry particular attention is devoted to open-cut mining in eastern regions. The retooling and reconstruction of mines in old mining areas — first and foremost the Donbass and the Kuzbass — must also be continued.

The economy's dynamic development requires extensive geological prospecting work, particularly for oil, gas, and ores, and an increase in the effectiveness and quality of the preparations for the opening up of known deposits of useful minerals.

The most important avenue of structural restructuring is the intensification of the orientation toward the fuller satisfaction of the Soviet people's diverse and growing needs. This is reflected in the accelerated development of sectors producing food products and nonfood goods.

In the 12th 5-Year Plan collaboration between the sectors comprising the agro-industrial complex will become closer and more coordinated, which will promote the attainment of high end results in its work. Agriculture will be considerably developed and its material and technical base will be strengthened. It is planned to increase production of all types of agricultural output on the basis of the fuller provision of new equipment, mineral fertilizers, and chemical plant-protection agents to kolkhozes and sovkhozes; the expansion of the stock of reclaimed land; and the effective utilization of these resources. It is planned to increase grain production to 250-255 million metric tons and meat production to 21 million metric tons. These high indicators can only be achieved on the basis of intensive techniques and increased yields in crop farming and productivity in stockraising, and by relying on new administrative and management methods in the agro-industrial complex. The priority development of the processing industry and transportation and the creation of the best conditions for storing agricultural produce will be a feature of the plan period. All this will make it possible to reduce irrational expenditure and losses, to increase resources of food goods, and to improve their quality.

The targets for the production of industrial goods for the population are defined in accordance with the Comprehensive Program for the Development of Consumer Goods Production and the Services Sphere, which opens up extensive opportunities for their growth and improvement. The task is being set of bringing light and local industry, the services sphere, and trade to the front ranks of technical progress and accelerating the development rates of these sectors. It is planned to increase production of nonfood goods over the 5-year period by 30 percent — that is, at rates exceeding total industrial output as a whole. The range and quality of these goods will also be expanded and improved.

The comprehensive and interrelated development of the entire infrastructure — transportation, communications and information systems, material and technical supply, warehousing facilities, and the road network — is of increasing importance for our economy.

Transportation workers are faced with responsible tasks in ensuring the smooth flow of the increasing volumes of freight and passenger traffic, particularly between the European part of the country and eastern regions. The resolution of this task requires coordinated action by all means of transport, the development of new types of transport, and the further strengthening of its material and technical base. In the 12th 5-Year Plan the task of providing road links between all central kolkhoz and sovkhoz farmsteads and rayon administrative centers is not only of immense production importance, but of immense social importance also.

The approach to the development of all union republics and major regions has been defined on the basis of statewide positions on the rational territorial division of social labor within the framework of the unified national economic complex. The targets contained in the draft Basic Guidelines are aimed at ensuring the further growth of all republics' economies and cultures and the improvement of the siting of productive forces. Each republic will make its own weighty contribution to building up the country's economic might.

An important territorial problem is to more closely link the siting of production facilities with the presence of labor and material resources. It is well known that throughout the country's territory various types of resources are unevenly distributed. The bulk of productive capital is concentrated in the USSR's European regions, while extraction of fuel and raw materials is now growing predominantly in Siberia. And the greatest growth in labor resources is in Central Asia and the Transcaucasus. The draft Basic Guidelines plan to bring energy-intensive types of production closer to fuel and energy bases and to increase jobs in regions with the necessary labor resources. Particular attention will be devoted to the comprehensive development of the economies of Siberia and the Far East, the opening up of their natural resources, and the provision of transport access to these regions.

Thus, structural policy in the 12th 5-Year Plan is subordinated to the tasks of intensification and scientific and technical progress and lays a firm foundation for strengthening the national economy's material and technical base. (applause)

4. Improvement of the System of Management and Methods of Economic Management

Comrades! Success in implementing our plans and tasks is inextricably linked with the improvement of management and meth-

ods of economic management. We cannot direct production onto the path of comprehensive intensification using our former methods and old organizational forms without resolutely restructuring them in accordance with the new conditions and modern requirements of economic development. Here it is not partial improvements which are needed but, as Mikhail Sergeyevich Gorbachev stressed in the Political Report, radical reform.

It must be said frankly that the urgent need for the improvement of the management system was until recently largely underrated. This work was performed slowly and half-heartedly. Adherence to old, mostly administrative, methods had the upper hand. Stagnation of thought inevitably generated stagnation in action.

The party has drawn the necessary conclusion and set a clear task: implementing large-scale measures to improve the entire system of management in order to substantially enhance its effectiveness and direct it toward the fundamental acceleration of scientific-technical progress and the comprehensive activation of the human factor. This task has been substantiated in a detailed and profound manner in the Central Committee Political Report to the 27th CPSU Congress, which defined the principled line for our actions. It consists of relying on the unshakable principle of democratic centralism and strengthening and improving the centralized planned leadership of the economy — a great gain and fundamental advantage of socialism. In ths question too, it is obvious we have "failed to justify" and never will justify bourgeois ideologists' hopes that we will retreat from our fundamental principle. (applause) At the same time, the party will resolutely perform work to expand the frontiers of the autonomy of associations and enterprises, enhance their responsibility for end results, and intensify financial autonomy. The enormous dimensions of the national economy and the increased complexity of intersectorial and regional ties also dictate the need to seek the optimum combination of sectorial and territorial management and the improvement of organizational structures.

Important steps have been taken in these directions in recent years. The unprecedentedly broad quest and experimental development of more effective forms of management and the dissemination of new discoveries which have given a good account of themselves have become a characteristic feature of economic life. We began with the expansion of the rights and responsibility of enterprises and associations — the echelon in which material benefits are created and all threads of management are interwoven. Here the shortcomings of the economic mechanism have been displayed particularly tangibly. The lack of a close link between the interests of the labor collectives and the end results of work has curbed their initiative and creativity and failed to bring underlying reserves into use. In order to avoid repeating the errors of the past, the development of new methods is being carried out with a consideration for the specific features of individual sectors. All this makes it possible to better reveal the strong and weak aspects of the new methods; to improve them and gradually expand their sphere of application.

In the 12th 5-Year Plan we must work persistently on the creation of an integral system of management, consistently improve the elements of the economic mechanism, and seek more effective forms and methods for planning, encouraging, and organizing production.

One of the most important tasks of the 5-year plan is the transition of all sectors of the national economy to new methods of management. The enterprises producing half of our industrial output, the entire communications sector, consumer services, and individual transport enterprises are now working in the new style. As of 1987 all enterprises of industry and transport will work on the basis of these principles. At the same time, we must rapidly complete the organizational restructuring of the leadership of the agro-industrial complex and create the necessary prerequisites for substantially intensifying economic methods and widely introducing truly financially autonomous relations on kolkhozes and sovkhozes, at enterprises, and in associations.

As has been pointed out, the improvement of construction management is urgently needed. It is here that an experimental check of new methods of planning and elements of the economic mechanism is to be begun this year in order to later extend them to the entire sector. The entire package of questions connected with the organizational structure of the management of capital construction in light of the tasks facing the country is in need of careful study. The intensification of autonomous financing is of special importance in work to further improve the economic mechanism and comprehensively perfect all its elements. It is essential to establish a close, strict dependence between the end results of the activity of enterprises and associations and the funds which they form for the development of production, the remuneration of labor and material incentives, and the solution of social needs. And the essence of the matter consists of ensuring that these funds increasingly determine all aspects of the enterprises' activity: both production and social.

To this end the task is set, first, of turning the production development fund into the main source for retooling and modernization. Second, a line must be steered toward ensuring that the improvement of labor collectives' housing and other socio-consumer conditions is increasingly implemented through the use of the funds they earn themselves. Third, the dependence of each workers' wages on his personal contribution to end results must be intensified. Fourth, all channels allowing the thriftlessness of some people to be covered by others' higher results must be closed. Fifth, the further expansion of the sphere of contract relations and the enterprises' very strict responsibility for fulfilling their pledges to consumers must be ensured. Finally, which is very important, we must halt petty tutelage and interference by higher-ranking organs in the legitimate rights of the labor collectives and give them the opportunity to find for themselves the best ways of implementing their plans. (prolonged applause)

It is this which is really complete financial autonomy. It is these economic conditions which will irreversibly demand that enterprises and associations make the maximum use of production potential and the achievements of science and technology and do everything to save resources and which will compel them to respond flexibly and promptly to consumers' requests.

We must perform persistent work to intensify autonomous financing and switch enterprises to financing themselves and paying their own way. The comprehensive trial of these principles is now under way at the Volga truck plant and the Sumy science and production association. Good results have been obtained here. We must proceed vigorously along this path.

The development of the system of economic normatives is of special importance in improving new methods of economic management. They should be established for the entire 5-year plan and create the certainty in labor collectives that effective work will unfailingly be rewarded both materially and morally. Conversely, bad results will be tangible to the whole collective. The most dangerous thing in this matter is the violation of the principle of the stability of normatives. Unfortunately, this practice does occur. It undermines the most important bastions of autonomous financing and therefore, a most resolute struggle must be waged against it.

It should be stressed that economic normatives are a promising instrument of planning leadership. They flexibly combine the centralized principle in the management of the economy with the use of commodity-money relations and the law of cost. It is important that they should be fully mastered by the central economic organs, ministries, and enterprises. With a consideration for the experience accumulated we must expand the sphere of application of the normatives and transfer the system of state enterprises' relations with the budget to normative bases.

The line toward the expansion of enterprises' rights contained in the new economic mechanism will produce a proper return only if its principles pervade all echelons of production, right down to the team and workplace. This requires an organized link between the autonomous financing of associations and enterprises and the development of the contract form of organizing and remunerating labor. Great scope will thus be opened up for the masses' creation and initiative, collectivist principles in production will be intensified, and their involvement in a common cause will be asserted even further in people's awareness. It is then that V.I. Lenin's instruction that the worker "should feel himself not only to be the master at his own plant, but also the country's representative and that he should feel responsibility" will be implemented. (applause)

The Political Report raised in a new way, from principled positions, the question of developing democratic principles in management, expanding working people's direct participation in the affairs of enterprises, and making fuller and more effective use of the USSR Law on Labor Collectives. Without the labor collectives' active, creative participation in the elaboration and fulfillment of economic and social plans and the solution of all questions concerning their enterprises' lives, it is impossible to count on the economic mechanism working effectively. That is why, alongside existing collectivist forms of working people's participation in management, it is essential to seek new forms. One such effective form, the report pointed out, could be the labor collectives' councils. The party, trade union, Komsomol, and other public organizations should have an important say in expanding democratic principles in management.

The underassessment of the importance of the role of organizational structures in enhancing the effectiveness of economic management was a major shortcoming in work to improve management in the recent past. In recent years the creation of production associations has been unjustifiably delayed and in many sectors they have not become the determining form of production organization. New impetus must be lent to this process. We must also advance more boldly along the path of forming large-scale intersectorial associations ensuring effective specialization and sharing free from departmental barriers.

It is essential to resolve in a new way the question of the role and functions of ministries. The content and style of their work and their organizational structures have formed on the basis of old, predominantly administrative, methods of economic management. Considering the development of economic methods of management and the expansion of the rights of enterprises and associations, the ministries must substantially restructure themselves, hand over some of their former functions to production collectives in the interests of the matter, and free themselves of redundant daily current concerns and bestow greater trust on enterprises.

The main thing on which the ministries must focus their activity under present conditions is the definition of the strategy of scientific-technical progress in the sector and the prospects for its development, the improvement of the general standard of economic work, and, ultimately, the total satisfaction of society's requirements for output. To this end we must also resolutely improve the organizational system of management of the sectors and, as a rule, switch to a two-tier system. The development of these systems in ministries of the machine-building complex has already been completed and it must be accelerated in all other sectors.

Complex tasks face the ministries. The success of the matter will largely depend on how organically they enter into the new system of economic management, how rapidly they can be restructured psychologically in the spirit of the requirements of the time.

The responsibility of our central economic organs is exceptionally high in enhancing the effectiveness of the economic mechanism. It is these organs which are the bearers of the principled aims of the party's policy.

But it is no secret that in many cases the essence of questions is distorted in practical activity; bloated instructions and systems of methods and departmentalism gain the upper hand and real-life concerns are emasculated. This generateslegitimate dissatisfaction locally. We must eradicate this practice once and for all and strictly follow the meaning and spirit of party decisions. (applause)

The success of the restructuring of the economic mechanism now under way depends considerably on the USSR Gosplan. It must bring all its activity into line with the new demands, step up its comprehensive approach to the solution of key tasks, and bear full responsibility for the balanced and effective growth of the economy. From these positions, it is also essential to reorganize the structure of the USSR Gosplan in order to concentrate its attention on long-term national economic problems — above all, on the formation of general economic, intersectorial, and regional proportions.

Crucial tasks also face the USSR Gossnab. It must restructure its work in accordance with the demands of the new economic mechanism and develop effective forms of supply and sales, including wholesale trade.

We expect bold and resolute actions from the USSR Ministry of Finances. In recent years the role of finances in economic life and the struggle to increase economic efficiency have slackened. Moreover, in a number of cases the finance and credit mechanism is delaying progressive changes. Here substantial changes are needed to direct this mechanism toward intensifying the cost-cutting nature of the development of production.

The activity of the USSR Gosbank and USSR Bank for Financing Capital Investments [Stroybank] must also be revised from the positions of the new demands. Credit now operates extremely ineffectively. In practice, conditions have not been created which would prompt enterprises and organizations, kolkhozes and sovkhozes to make rational use of credits, to increase profitability, and to settle with the state promptly and in full. The bank organs must stand guard over state interests and at the same time, do everything to promote the development of the initiative and economic resourcefulness of labor collectives.

Under the conditions of the economy's intensification there is an increase in the role of prices as reliable yardsticks of the effectiveness of expenditure and the results of economic activity, as effective incentives to scientific-technical progress and the improvement of the quality of output. Here too, there is a large field of activity for the USSR State Committee for Prices. It must resolve more rapidly, and in an economically skilled way, the problems which have accumulated in this field. Work in the field of retail prices must also be performed in accordance with social policy tasks.

As is well known, new organs of management have recently been created for large-scale national economic complexes — the USSR State Agro-Industrial Committee [Gosagrprom] and the machine-building bureau. Their structure and functions are varied — they reflect the specific features of each complex. As experience is accumulated it is expedient to make further headway on the path of improving the management of groups of interconnected and similar sectors.

More attention must be paid to the flexible combination of sectorial and territorial management. Here it is essential to expand more boldly the rights of the local soviets in planning and managing the economy; particularly in sectors and spheres which affect working people's daily needs. (applause)

The improvement of management and the economic mechanism and the enhancement of the scientifically substantiated nature of the decisions which are taken are making new, lofty, demands on economic scientists. They have a great debt to pay to the country. We expect from them explicit theoretical developments and specific practical recommendations.

In brief, comrades, in the 12th 5-Year Plan strenuous work awaits us in restructuring all echelons of the economic mechanism. During this restructuring we must ensure the organic transition of existing structures and forms of management to qualitatively new forms, complying with present-day tasks. It is important that this process should lead to the steady growth of production and its enhanced effectiveness. This is a crucial matter; it should be the focus of attention and under the constant control of central economic organs, ministries, and party organizations. And it must be engaged in everyday, persistently, without allowing formalism or stoppages in work, without retreating in the face of difficulties which arise, as has been the case in the past.

Of all the dangers on this path the greatest is bureaucracy. Creating a semblance of working, under cover of phrasemongering, can hold back the improvement of the economic mechanism, suppress independence and initiative, and erect barriers on the path of the new.

The vocational training of our cadres is an urgent problem which determines the success of the entire business of restructuring the system of management and methods of economic management. Here economic knowledge has become an inalienable and essential element for training workers of all specialities.

It is necessary to elaborate a harmonious system of economic education for workers and engineering cadres so that each can approach his economic assessment of technical decisions in a skilled and knowledgeable way. From these positions we must substantially revise the nature and content of all forms of training, including the system of economic VUZes and faculties. Leading economists — both scientists and practical experts — must be enlisted to this matter. Finally, a profoundly considered system is needed for the economic retraining of specialists, encompassing all management levels.

The present-day economy is making particularly lofty demands on production commanders. It is important to form in our leaders a modern type of economic thinking — lofty professionalism, socialist resourcefulness, and the ability to see the long term, to be educators and organizers in the collective. The inalienable features of the present-day leader are party maturity and principledness, the unswerving implementation of the party's line, and irreproachable moral qualities. These are essential conditions for implementing our creative plans. (applause)

The tasks of improving the entire management system have not only major economic, but also important political significance. That is why their implementation should be under the unremitting control and leadership of the party organizations. The profound, specific analysis of social and economic processes, persistence in implementing the party's economic policy, the correct placement and education of economic cadres, readiness to support everything new and progressive — it is above all on these salients that the party leadership of the economy should be focused and stepped up.

5. Foreign Economic Ties

Comrades!

The party's course of accelerating the country's socioeconomic development makes serious demands on foreign economic activity. We proceed from the premise that in the modern world it is vitally necessary to actively develop economic, scientific, and technical ties and to participate in the international division of labor. We view this as an important means of maintaining and strengthening peaceful, good-neighborly relations among states and mutual assistance in resolving national economic problems.

A completely new situation for international economic cooperation and its intensive development in all countries' interests can be created as a result of the implementation of the Soviet program for the phased elimination of nuclear weapons by the year 2000 and the other peace-loving proposals discussed in the CPSU Central Committee's Political Report. Disarmament would make it possible to rid mankind of the threat of destruction and switch enormous material and intellectual resources over to economic development goals. The Soviet Union, true to the Leninist policy of peace, is unsparing in its effort to improve the international situation and to maintain and strengthen relations of equitable cooperation with all states, irrespective of their social system. Our party and the Soviet State will not allow themselves to be deflected from this course either by threats on the part of imperialist forces or by their attempts to sidetrack the Geneva talks from their main goal. (prolonged applause)

In accordance with this the draft Basic Guidelines envisage a considerable expansion of foreign economic ties. They are to be concentrated on priority tasks, directed toward scientific and technical progress, and more fully exploited in resolving social questions.

Cooperation with fraternal socialist countries has been and remains determinant here. In the next few years a major step in developing socialist integration and deepening it on the basis of extensive production sharing and specialization is to be made, based on the decisions taken at the CEMA economic summit. This path opens up new prospects for further, comprehensive expansion of economic ties among fraternal countries and accelerating the resolution of the tasks of intensification that are common to us all. It also increases our technical and economic invulnerability to imperialist actions.

The consistent implementation of the comprehensive Program of Scientific and Technical Progress of CEMA Countries Through the Year 2000 will be the pivot of all this work. The center of integrative activity is now being shifted toward joint assimilation of the latest scientific and technical achievements and the development of large-scale cooperation in all spheres of the national economy; above all, in the production of modern kinds of machinery and equipment. Our central planning and economic bodies, ministries, and departments must organize their foreign economic work from this standpoint. Much, of course, will depend on improving the work of CEMA — the socialist country's collective organization.

The coordination of CEMA countries' national economic plans for 1986-1990, which has now been completed, shows that quite a lot will be achieved within the current 5-year plan. But there is no doubt that a further deepening of the integrative processes demands a creative, innovatory approach. The old, customary forms that took shape during the period of extensive development are incapable of ensuring dynamic growth of cooperation. Therefore, it is necessary to seek new ways, to resolutely begin direct collaboration among enterprises and sectors, to develop direct economic ties, and to set up joint associations, design bureaus, and laboratories. The foundations for this have been laid and a number of joint science-and-production associations have been organized. They, of course, are just the first of the new forms of integration, but the future belongs to them.

The Basic Guidelines envisage the further increase of economic ties with other socialist states also. Commodity turnover with the PRC will be considerably expanded.

The Soviet Union will continue to develop cooperation with the countries of Asia, Africa, and Latin America. Our diverse assistance to those states will help form and develop their national economies, overcome the colonial legacy, and make advances along the path of economic and social progress. With many of them — for example, with India and a number of other states — the Soviet Union has established stable, long-term ties. These ties are becoming increasingly mutually beneficial. We will continue the line of supporting developing states, which has become an important factor in restructuring international economic relations on a just democratic basis, paying particular attention to countries of a socialist persuasion. (applause)

The Soviet Union, true to the policy of peaceful coexistence, favors cooperation with developed capitalist states. We see quite considerable potential here. This applies to virtually all kinds of ties — trade, scientific, technical, financial, credit, and others. But it is well known that cooperation is a matter of reciprocity. Strict account must be taken of mutual interests and all the restrictions, boycotts, and embargoes organized by the United States must be completely renounced. Economic relations in the modern world can be built only on the basis of equality, trust, and strict observance of mutual accords. Acting contrary to this, subjecting trade and economic ties to unseemly political calculations is tantamount to attempting to hold back world progress. Historical experience has shown the utter untenability of such attempts. In this light, the CPSU Central Committee Political Report submitted a new proposal — a proposal to convene a world congress in the future on the problems of economic security, at which it would be possible to discuss everything that is encumbering world economic ties.

Foreign trade is making a weighty and ever increasing contribution to developing our economy. There is virtually no sector today which is not involved in the sphere of foreign economic ties. However, it is impossible to make rapid progress by following traditional paths. First and foremost, it is necessary to change the raw materials bias of exports and to increase the processing sectors' export share. This obviously needs time, but the work must be started within the 12th 5-Year Plan period. It is necessary to direct ministries, associations, and enterprises toward building up the country's export potential and enhancing the quality and competitiveness of machinery, equipment, and other finished products. It is also necessary to introduce the strictest order in the expenditure of foreign currency. Import policy must actively promote the acceleration of scientific and technical progress.

Foreign economic departments must also be restructured in light of the new demands. There are still major shortcomings and deficiencies in the work of the Ministry of Foreign Trade and the State Committee for Foreign Economic Relations, which are being overcome only slowly. It is necessary that these departments be more closely linked with ministries and enterprises, that new ways of uniting their interests with the demands of the foreign market be sought, and that they should be active participants in resolving national economic tasks rather than simply

intermediaries.

V. Social Development and Increasing the People's Prosperity in the 12th 5-year Plan

Comrade delegates! The economic growth and increased economic efficiency outlined for the 12th 5-Year Plan period creates a firm foundation for substantial progress in implementing the CPSU's program guidelines — raising Soviet people's living standards to a qualitatively new level and ensuring the steady improvement of their working and living conditions. The party organically links the solution of this task with the harmonious development of the individual and the activation of working people's creative initiative. Herein lies the essence of a strong social policy under conditions of the acceleration of social progress in the USSR. Its urgent demand is to ensure the fullest possible realization of the principle of social justice and the socialist distribution of the life's blessings.

In accordance with this, special attention is being paid in the 12th 5-Year Plan to those questions whose solution will promote the maximum improvement of the quality of Soviet people's conditions of life and activity and the increasing of each person's labor contribution to the common cause.

The interests of both social and economic development require above all major transformations in the conditions, character, and content of labor. Among the various needs of members of society, the requirement for meaningful and creative work is increasingly coming to the fore. In the new 5-year plan a breakthrough must be achieved in resolving such an urgent problem as reducing the use of manual and low-skilled labor. The scale and pace of that reduction must be increased by a factor of at least two to three.

The accelerated renewal of the production apparatus, the mechanization and automation of production, the use of electronics in production, and all retooling work must be aimed at improving the conditions and enriching the content of labor. Regular job certification and the scientific organization of labor are designed to promote that.

Another aspect of the question must also be borne in mind. The Soviet worker's high educational and vocational standard dictate the need to create appropriate production conditions. The modern worker can no longer be made to use obsolete equipment and production techniques. Economic leaders are obliged to take that into account.

Increasing the effectiveness of the labor remuneration system is a task of tremendous socioeconomic significance. The recently intensified elements of wage levelling and major shortcomings in the sphere of labor norm-fixing and the organization of wages have been undermining its role as an incentive and slowing down the growth of productivity. This situation cannot be tolerated. The scale of each working person's pay must be made to strictly accord with the results of his labor. The rigid dependence of increased labor remuneration on increased labor productivity is the most important requirement of economic activity under modern conditions and we will work with the utmost persistence to ensure its strict observance.

It is from this standpoint that the areas and procedure are defined for implementing the major measure envisaged in the Basic Guidelines — raising wage rates and official salaries. It is deemed necessary to carry out the switch to new wage rates and salaries in physical production sectors according to a tight schedule — virtually within a single 5-year plan. It is planned to increase them by an average of 25-30 percent. And the most significant factor is perhaps that a fundamentally new, active approach has been formulated on the question of the sources to be used to carry this measure out. For the most part, the resources needed for that purpose must now be earned by labor collectives by increasing production and production efficiency, mobilizing internal reserves, and improving labor organization and labor norm-fixing.

This approach makes the introduction of new wage rates and salaries directly dependent on improving the work of enterprises and increasing labor productivity. It is based on the experience gained by a large number of enterprises in industry and other sectors working under new management conditions. This method was tested in an experiment on the Belorussian railroad, where wages and salaries were increased on the basis of internal sources. The latter were discovered after great preparatory economic and organizational work and the better use of equipment.

Major resources are being allocated to increasing the labor remuneration of workers in the nonproduction sectors. As the school reform envisaged, next year the transition to new conditions of remuneration for all public education workers will be completed. There will be a phased wage increase for doctors and other medical staff. Wage rates and salaries for certain categories of workers in cultural and educational establishments and in higher education will also be increased in the 12th 5-Year Plan. These measures are a concrete expression of the party's concern for the further development of the sociocultural sphere.

The implementation of measures in the labor remuneration sphere will make it possible to increase workers' and employees' average monthly wages to R215-R220 by the end of the 5-year plan period.

Kolkhoz labor remuneration will increase at a faster rate. In accordance with the planned increase in labor productivity, it will increase on average to R180 a month. Including revenue from personal subsidiary plots, kolkhoz members' real incomes will be virtually on a par with workers' and employees' incomes. Together with increasing the technical equipment of labor and the preferential development of housing, cultural, and consumer construction in the countryside, this will be an important step in resolving the CPSU's program task of overcoming the substantial discrepancies between the city and the countryside. (applause)

At the same time as the principle of distribution according to labor is strengthened, the consistent development of social consumption funds, which play an exceptional role in Soviet people's lives, will also continue. It will increase considerably during the 5-year period and by 1990 will ammount to over R600 per capita.

In its social policy the party has always paid special attention to improving educational conditions for the rising generation. The line of increasing state assistance to families with children will

be developed even further in the 12th 5-Year Plan. The introduction several years ago of paid leave for working mothers to look after children under the age of 1 year has begun to have quite a good sociodemographic effect. Taking account of that fact and of citizens' wishes expressed during the discussion of the draft Basic Guidelines, it is deemed expedient to extend that leave by a further 6 months. (applause) It is also planned to increase antenatal leave and paid leave to look after a sick child and to introduce free dispensing of medicine for children under 3 years of age. (applause)

The resolution within the next few years of such an urgent problem as the full satisfaction of the demand for preschool institutions is a matter of great socioeconomic importance. This task may realistically be fulfilled. And it is being resolved successfully in those places where proper attention is paid to it. It must be ensured that ministry and department leaders and local organs constantly monitor the question of kindergarten and creche building.

Large resources will be channeled into improving pension provision and increasing society's care of war and labor veterans and the families of dead servicemen. It is planned to significantly expand the network and improve the work of residential homes. Greater use will be made of progressive forms of services for citizens unfit for work.

The implementation of the planned measures in the sphere of increasing labor remuneration and developing social consumption funds in the 12th 5-Year Plan will lead to really perceptible changes in the conditions and standard of life of the broadest sections of society. The incomes of more than one-half of the total population will increase by statewide measures alone aimed at increasing wages, pensions, and grants. (applause) This is almost twice as much as in the past 5 years. By the end of the 5-year plan over 50 percent of families will receive an average income of over R125 per person per month. There will be virtually no families with an average income below R50 per person per month.

In the 12th 5-Year Plan particular emphasis is being placed on the consistent strengthening of the material and technical basis of the sociocultural sphere. In accordance with the school reform's targets it is planned to provide 40 percent more school places and to improve conditions for the study and education process. We must also carry out the restructuring of higher and secondary specialized education. It must be directed toward comprehensively improving the quality of specialists' training, improving VUZes' ties with production, and involving them more actively in the development of science and technology. All this also requires the further consolidation of VUZes' material base.

Much work is to be done for substantially improving the activity of health care establishments, boosting the sphere of preventive medicine, and gradually progressing toward general medical screening of the population. The construction of out-patient health centers and polyclinics and the production of medical equipment is to increase by approximately 50 percent and the implementation of planned environmental protection measures is to play an important role in improving people's health.

Large-scale construction of cultural and sports facilities is envisaged. For instance, it is planned to build more than 500 rayon cultural centers and more than 5,500 clubs in rural areas during the 5-year plan. As a result, every rayon center will have a cultural center. (applause)

Thus an important step forward is to be made as early as during the 12th 5-Year Plan period in tackling the task set by the party, namely raising the sociocultural sphere sectors to a qualitatively new level.

If this task is to be implemented, the attitude to the construction of sociocultural establishments as a matter of only secondary importance which some economic leaders take, including a number who work in planning organs, will have to be radically changed. It must be admitted that capital investments earmarked for the development of a number of sectors of the sociocultural sphere in 1986 are below the 5-year plan annual average allocated for this purpose. This must be rectified in the elaboration of the 5-year plan.

And of course, it is necessary to ensure everywhere the full and effective assimilation of the funds allocated for this purpose. They are not easy to find and must be used carefully. In Belorussia, Lithuania, and many RSFSR oblasts, skillful organization has ensured that plans for the commissioning of public education and health care establishments are not just being fulfilled, but even overfulfilled. On the other hand, it is symptomatic of certain republics and cities that they systematically, year after year, fail to fulfill their sociocultural construction plans. Here are two concrete examples. In Ashkhabad the second stage of the teaching hospital has been under construction for the past 9 years now. It is not planned to be handed over for service until 1989, yet the standard construction time is 3 years and 6 months. The construction of a treatment building of the Krasnoyarsk Kray hospital is being dragged out impermissibly. This case is particularly vexing because it is a project funded by money earned as a result of All-Union communist subbotniks [voluntary unpaid Saturday work]. There are similar cases in the Georgian SSR, the Uzbek SSR, Khabarovsk Kray and Perm and other oblasts.

A constant concern of the party is the resolution of the housing problem. Considerable results have been achieved in this matter. More than 80 percent of families in cities now live in individual apartments. The provision of well-appointed housing in rural areas has increased substantially. Nonetheless, housing remains one of the most acute social problems. In the coming 5 years, it is intended to increase the commissioning of housing to a total of 565-570 million square meters. Substantial resources will be channeled into the provision of amenities in cities and villages and the development of municipal services and public transport.

The acuteness of the housing problem demands the all-out mobilization of forces and resources. Most local organs, ministries, and departments take precisely this approach to this question. But there are examples of another kind too. Thus in the Armenian SSR plans for the commissioning of housing are not being fulfilled year after year, although housing needs are great, and water supplies to the population in a number of cities are unsatisfactory. At the same time, the impermissible practice still survives in the republic of diverting contracting organizations to

unplanned construction projects. In 1985 the Armenian Industrial Construction Ministry carried out construction work on 12 projects not included in the plan, including projects which were by no means of paramount importance. Unfortunately, this practice is currently occurring in other regions too. It must be totally eradicated.

Fundamental importance in the party's social policy attaches to the fullest possible satisfaction of the population's growing effective demand. It is no exaggeration to say that this is one of the most topical tasks today. Its solution is directly connected with the consolidation of material labor incentives, the rational use of time outside working hours, Soviet people's mood, and the elimination of the negative phenomena engendered by shortages.

The paramount task is to improve food supplies to the population, in particular meat and dairy products and vegetables and fruit. This is the aim pursued by the USSR Food Program. Attaining the production levels which it sets for 1990 will enable us to achieve important changes for the better in the structure and the quality of food supplies — the biggest over the past 5-year plans.

Progressive changes are also to be implemented in the consumption of industrial goods. The level to which the population's demand for these goods has been met, has risen markedly in recent years, and the market has reached saturation point in respect of many of these goods. Now a more complex problem surfaces — the problem of quality and product mix. The comprehensive program for the development of the production of consumer goods and of the service sphere defines the directions in which consumer goods production is to be reorganized. An active role in the resolution of this problem has been assigned to trade. The USSR Ministry of Trade and the Tsentrosoyuz are too sluggish in eliminating shortcomings. They are frequently unprincipled and passive in their attitude to enterprises which produce low-grade goods. They are too slow at maneuvering commodity resources and do not study consumer demand properly. Also, the standard of trade and services to the population is still impermissibly low. In tackling the issues of widened range and increased output of stylish goods, we must not, of course, unjustifiably reduce the production of inexpensive, sound goods, above all for children and senior citizens. (applause)

It must be emphasized that the task of satisfying effective demand assumes particular importance under conditions where the party is waging an uncompromising struggle against drunkenness and alcoholism. The policy of a sharp reduction in the production and sales of alcoholic drinks will continue to be strictly enforced in the future. This will contribute to a change for the better in the structure of consumption and will be reflected in the annual and 5-year plans.

It is planned to increase retail trade turnover (excluding wine and spirit sales) by almost one-third in the 5-year plan as a whole.

A new approach, broad scope, and vigor is to be applied to the development of the paid services sphere. Over the past few years these services have accounted for only 10 percent of the population's total spending. This does not correspond to people's needs in the least and it deforms the structure of demand, shifting demand to goods. Within a short period we must create an essentially new sector — a modern, highly developed service sphere embracing everyday services, recreation, tourism, and leisure. And a decisive breakthrough in this important matter must be achieved as early as during the 12th 5-Year Plan period. The volume of paid services is to be increased by 30-40 percent.

The main trend in improving consumer services is the substantial expansion of the network of specialized enterprises and organizations. But this takes time and money. However, to make swift headway, the decision has been adopted to involve enterprises of all sectors, regardless of their specialization, in providing services for the population. However, this work is still not developing as it should everywhere. Local organs and soviets of people's deputies are called upon to take a most active part in this work.

Comrades, these are the most important tasks in enhancing the Soviet people's well-being and improving their working and living conditions and life in general during the 12th 5-Year Plan. Unquestionably, their implementation will further consolidate the socialist way of life which organically combines material well-being with the development of spiritual culture and an all-around increase in the working people's creative activeness.

Seeking to improve all aspects of the people's life, the party raises even higher the significance of the unfading moral values and ideals which will exert an increasing influence on the process of molding Soviet man — the bulder of communism. [prolonged applause]

Comrade delegates!

Every day of the 27th congress proceedings reveals more clearly and on a larger scale the greatness of the achievements outlined by the party and the greatness of the tasks set in the Central Committee Political Report and other congress documents. The ideas and decisions of the congress are examples of the creative application of Marxism-Leninism at a special time for us, a time of profound change and vigorous action. And we can say with utmost confidence that their transforming and creative force will constantly increase, exerting a revolutionizing influence on all aspects of our society's life.

It is now a matter of translating the adopted plans into reality with utmost determination, energy, and persistence. It is now a matter of launching the struggle for the practical implementation of the set tasks, relying on the living creativeness of the masses and the nationwide socialist competition. These tasks are noble and they accord with the vital interests of our people, their ideals, and peaceful aspirations.

Fulfilling them means ensuring the further consolidation of our motherland's might and prosperity.

Fulfilling them means improving the life of the Soviet people and each Soviet family.

Fulfilling them means strengthening the positions of socialism and peace on earth, saving the world from a nuclear catastrophe,

and preserving peace.

We can claim with confidence that our country's working people, closely rallied around their Leninist party, aware of their great responsibility and of the demands of the times, will spare no effort in successfully implementing the historic decisions of the 27th CPSU Congress. [prolonged applause]

Proceeding of 4 March Congress Session Reported

PM051020 Moscow PRAVDA in Russian 5 Mar 86 Second Edition p 1

[Unattributed "Information Report on Progress of 27th CPSU Congress"]

[Text] The 27th CPSU Congress continued its work on 4 March 1986.

At the morning session the following comrades took part in the debate on the report "On the Basic Guidelines for the Economic and Social Development of the USSR for 1986-1990 and for the Period Through the Year 2000": N.S. Yermakov, first secretary of the Kemerovo CPSU Obkom; Ye.A. Shulyak, forge and press operator at the Minsk automotive plant named for the 60th anniversary of Great October; D.K. Motornyy, chairman of the Kirov kolkhoz, Belozerskiy Rayon, Kherson Oblast; N.A. Nazabayev, chairman of the Kazakh SSR Council of Ministers; P.G. Pronyagin, chief of the "Khimstroy" construction administration, Tomsk Oblast; and Yu.N. Prokopyev, first secretary of the Yakutsk CPSU Obkom.

The congress was greeted by Comrades Volodia Teitelboim, member of the Political Commission and of the Secretariat of the Communist Party of Chile Central Committee, and Abdallah al-Ahmar, deputy general secretary of the Syrian Arab Ba'th Party.

Comrades F.V. Popov, first secretary of the Altay CPSU Kraykom; B.Ye. Paton, president of the Ukrainian SSR Academy of Sciences and director of the Ye.O. Paton Institute of Electric Welding; and N.D. Dzenis, director of the Bauskiy Rayon consumer services combine, Latvian SSR, spoke latter in the debate.

Greetings addresses were then given by Comrades Heng Samrin, general secretary of the People's Revolutionary Party of Kampuchea Central Committee and chairman of the PRK State Council; Athos Fava, general secretary of the Communist Party of Argentina; and Mitsuhiro Kaneko, chairman of the Japan Communist Party Central Committee Secretariat.

Speaking in the debate at the afternoon session were Comrades M.Yu. Yusupov, first secretary of the Dagestan CPSU Obkom; G.S. Kostenko, a mason and installation worker at Amur Oblast's "Tsentrobamstroy" trust; and A.A. Sozinov, director of the USSR Academy of Sciences N.I. Vavilov Institute of General Genetics.

A delegation of the USSR Armed Forces entered the hall under combat banners that are covered in glory. The congress' participants gave a prolonged standing ovation to the Soviet servicemen.

Major General V.S. Mikhaylov, commander of a tank division, addressed greetings to the congress on behalf of the personnel of the Soviet Army and Navy. He assured the Communist Party and all the Soviet people that the Armed Forces servicemen are reliably protecting the sacred border of our motherland. Together with the fraternal armies of the countries of the socialist community and loyal to their international duty, they are ever ready to defend the great gains of socialism and to give a crushing rebuff to any aggressor.

At the end of the session the congress was greeted by Comrades Sandor Gaspar, chairman of WFTU; Me'ir Vilner, general secretary of the Communist Party of Israel; Khalid Bakdash, general secretary of the Syrian Communist Party Central Committee; and William Kashtan, general secretary of the Communist Party of Canada.

Reportage on 5 March Congress Proceedings

Participants in Morning Session

LD051122 Moscow Domestic Service in Russian 0830 GMT 5 Mar 86

[Excerpt] The 27th CPSU Congress morning session today continued discussing the report on the Draft Guidelines for the economic and social development of the country for the 12th 5-year plan and the period up to the year 2000.

Participating in the debate on this matter was Comrade Sagdeyev, first secretary of Kokchetav Obkom of the Communist Party of Kazakhstan. Gordon MacLennan, general secretary of the Communist Party of Great Britain delivered greetings to the congress. Then Comrade (Fransenyuk), director of the Andropov metallurgical combine in Novolipetsk and Hero of Socialist Labor, and Comrade Sitnikov, first secretary of the Irkutsk Obkom took part in the debate.

Aliyev Closes Morning Session

LD050951 Moscow Domestic Service in Russian 0900 GMT 5 Mar 86

[Closing speech by G.A. Aliyev at 5 March morning session of 27th CPSU Congress — recorded]

[Text] Comrades! The congress Secretariat has reported that more than 250,000 letters from working people have arrived addressed to the 27th Congress, which contain ardent support for the policy of our party and which pose questions connected with the acceleration of the socioeconomic development of the country, of individual industries, enterprises, organizations, kolkhozes and sovkhozes. A number of letters contain requests and complaints. All of the letters addressed to the congress are being examined as a matter of urgency, and necessary measures are being adopted for following them. Many suggestions and remarks have been taken into account in preparing the documents of the 27th CPSU Congress, and are being actively used by party and state bodies in resolving practical tasks. The congress Secretariat has also examined more than 1,800 appeals against decisions by party bodies. Taking into account that some

of the letters and appeals received for the congress have not yet been examined, and that they are continuing to arrive, the following draft resolution is submitted for your attention:

First, to recognize congress Secretariat's report on the work it has carried out in examining letters and appeals addressed to the 27th CPSU Congress which have arrived;

Second, to instruct the CPSU Central Committee to complete the work on examining letters and appeals addressed to the 27th CPSU Congress and to adopt necessary measures to implement the requests, suggestions, and remarks contained in the letters from citizens.

Do the delegates have any remarks on the test of the resolution? No. Those in favor of the draft resolution submitted, please vote. Those against? Those abstaining? None. The resolution on this question is adopted unanimously. [applause]

Social, Economic Guidelines Approved

LD051012 Moscow Domestic Service in Russian 0900 GMT 5 Mar 86

[From the "At the 27th CPSU Congress" program]

[text] Comrade Aliyev, who is chairing the session, has invited Comrade Zaykov, on behalf of the commission for the examination of amendments and additions to the draft Basic Guidelines for the Economic and Social Development of the USSR for 1986-1990 and for the Period up to the Year 2000 and the preparation of a draft decision on this question, to speak.

[Begin recording] [Zaykov] Comrade delegates, you have the draft of the Basic Guidelines for Economic and Social Development of the USSR for 1986-1990 and for the Period up to the Year 2000, in which are included additions and amendments submitted in the course of the statewide examination of this document.

In the course of examination of the Political Report of the CPSU Central Committee to the 27th party congress and the report on the Basic Guidelines, delegates have voiced a number of proposals. Yesterday, at a session of the commission for the examination of amendments and additions to the draft Basic Guidelines and the preparation of the draft resolution of the congress on this question, the proposals were examined. You have (?been given) the additions and amendments that the commission has considered expedient to include in the final edition of the document. The other remaining proposals will be examined immediately by the CPSU Central Committee and the USSR Council of Ministers. Ministries, USSR departments, and union republic councils of ministers will actively participate in their implementation. On the instructions of the commission, I put forward a proposal to approve the Basic Guidelines of the Economic and Social Development of the USSR for 1986-1990 and for the Period up to the Year 2000, with the corresponding additions and amendments, and adopt a resolution of the 27th CPSU Congress on the given question. You also have a draft of this resolution.

[Aliyev] Comrades, have you any other proposals? No. Those in favor of the approval of the Basic Guidelines of the Economic and Social Development of the USSR for 1986-1990 and for the Period up to the Year 2000 with the additions and amendments proposed by the commission and the approval of a resolution on this question — I ask for a vote. Who is against? No one. Who abstained? No one. Thus, the 27th CPSU Congress unanimously approves the Basic Guidelines of the Economic and Social Development of the USSR for 1986-1990 and the Period up to the Year 2000, and adopts a resolution on this question. [applause] [end recording]

Election of Officials Discussed

LD051121 Moscow TASS International Service in Russian 1107 GMT 5 Mar 86

[Text] Moscow, 5 Mar (TASS) — At the evening session of the 27th CPSU Congress today, the delegates began an examination of the next point on the congress agenda — the elections of the party central organs. The CPSU Congress will continue its work tomorrow.

TASS Summarizes Resolution Approved by 27th Congress

LD051232 Moscow TASS in English 1226 GMT 5 Mar 86

["Embargoed Until 00.00 Moscow Time March 6" (2100 GMT 5 March)] — TASS headline]

[Text] Moscow March 5 TASS — The 27th CPSU Congress has approved the political course and practical activity of the Central Committee of the Communist Party of the Soviet Union. The resolution of the 27th Congress of the Communist Party of the Soviet Union on the Political Report of the CPSU Central Committee stresses that at the present turning point, in a qualitatively new situation inside the country and on the world scene, the party has again shown its loyalty to Marxism-Leninism, and its ability to deeply examine and realistically evaluate the situation, to draw the right lessons from experience, find ways of resolving the urgent problems, and overcome all that is outdated and longer viable.

The resolution stresses that the course of history and of social progress requires ever more insistently that states and nations constructively and positively interact on the scale of the entire planet. The forces of peace and progress all over the world can neutralise the threat created by imperialism, halt the world's slide towards the edge of the nuclear abyss, and prevent outer space from becoming a battlefield. Characterising the CPSU's line in home policy, the congress notes that the party's chief sphere of activity is the economy. The resolution stresses that since the adoption of the third programme of the CPSU in 1961, the national income in the U.S.S.R. has gone up nearly 300 per cent. Real per capita incomes have gone up 160 per cent. While giving due credit to what has been achieved, the congress stresses that the most crucial task today is to overcome the unfavourable tendencies in economic development in the shortest possible time, to impart a high degree of dynamism to the economy, to give scope to truly revolutionary changes. The resolution attaches top importance to an active social policy. "The party will strictly follow the principle of social justice and will work persistently to

eliminate everything that interferes with its constant implementation", the document stresses. Characterising the CPSU's foreign policy strategy the congress notes that the struggle to fulfil the programme of eliminating weapons of mass annihilation and warding off the war danger, outlined in Mikhail Gorbachev's January statement, should become the main direction of the party's activity in the international arena. The document formulates the conclusion, which is important in both theoretical and practical terms, that the "objective conditions now obtaining on the international scene are such that the confrontation between capitalism and socialism can proceed only and exclusively in forms of peaceful competition and peaceful contest."

The resolution notes the special significance of the "fundamental principles for creating an all-embracing system of international security" advanced in the CC Political Report. Guided by them it would be possible to make peaceful coexistence the highest universal principle of state-to-state relations. The congress calls upon all governments, parties, and mass organisations and movements, which are really concerned about the future of peace in the world, upon all peoples, to cooperate more closely and productively for the sake of achieving success in the battle against war.

The section of the resolution devoted to the Communist Party says that the further enhancement of the party's leading role and of its influence on the work of all units of socialist society will be promoted by consistent implementation of the provisions of the new edition of the CPSU Programme and of the party rules.

Leaders Meet Foreign Delegates to 27th Congress

Gorbachev, CPUSA's Gus Hall Confer

PM051032 Moscow PRAVDA in Russian 5 Mar 86
Second Edition p 1

[TASS report: "M.S. Gorbachev's Meeting With G. Hall"]

[Text] General Secretary of the CPSU Central Committee Mikhail Gorbachev 4 March had a meeting with General Secretary of the Communist Party of the United States Gus Hall, who is attending the 27th CPSU congress. An exchange of opinions was held on topical problems of the international situation and the world communist movement. Gus Hall highly appreciated the 27th congress, noting that the Political Report which was made by Mikhail Gorbachev, the new edition of the programme of the CPSU, other documents of the congress comprehensively and creatively develop the Marxist-Leninist teaching on the basis of realities of the present-day world. The congress will be a powerful stimulus for stepping up the struggle of all progressive forces, stressed Gus Hall.

The CPSU and the Communist Party of the United States, it was noted at the meeting, are unanimous in the conviction that the communist movement remains the most consistent force fighting for saving mankind from a nuclear catastrophe, for solution of the problems of the contemporary world development in the interests of the peoples. Emphasized during the meeting was the significance of cohesion of the communists in the struggle — provided complete independence of every party and their equality. The meeting passed in a comradely atmosphere, typical for the fraternal relations between the CPSU and the Communist Party of the United States.

Gromyko, Heng Samrin Meet

PM051128 Moscow PRAVDA in Russian 5 Mar 86
Second Edition p 1

[TASS report: "Meeting in the Kremlin"]

[Text] A meeting took place on 4 March between A.A. Gromyko, member of the CPSU Central Committee Politburo and chairman of the USSR Supreme Soviet Presidium, and Heng Samrin, general secretary of the Kampuchean People's Revolutionary Party [KPRP] Central Committee and chairman of the PRK Council of State, who heads the KPRP delegation to the 27th CPSU Congress. Men Saman, member of the KPRP Central Committee Politburo and Secretariat, and Hor Nam Hong, PRK ambassador to the USSR, who are members of the KPRP delegation to the 27th CPSU Congress, took part in the conversation. Heng Samrin highly assessed the work of the forum of Soviet Communists, emphasizing that this congress is of crucial historical significance in the Soviet people's struggle for the triumph of the ideals of communism. The exchange of opinions confirmed the unity of views on and evaluations of the state of the international situation and its prospects. On behalf of the KPRP and Cambodia's Government and people, Heng Samrin declared resolute support for the program put forward by the Soviet Union for the total liquidation of nuclear weapons everywhere, nonmilitarization of outer space, and deliverance of mankind from the threat of self-destruction in a nuclear war.

The participants in the meeting condemned the intrigues by the forces of imperialism and reaction in Asia and the Pacific and emphasized the importance attaching to the quest by all Asian countries for a common comprehensive approach toward shaping a system of security and lasting peace in that continent. The Soviet side expressed support for the PRK policy of instituting constructive dialogue with ASEAN countries. It was also declared that the Soviet Union supports the efforts made by the PRK, and also by the SRV and the Lao People's Democratic Republic, aimed at achieving political solutions to international questions, improving the situation in that part of the globe, and transforming Southeast Asia into a zone of peace, stability, and cooperation. It was recognized with gratification in the course of the exchange of opinions on Soviet-Cambodian relations that fraternal ties between the CPSU and the KPRP, between the Soviet Union and Cambodia, are developing and strengthening. A.A. Gromyko noted that Soviet people follow with great attention the friendly country's successes, and wished the Cambodian people new victories in the cause of building the new life. The meeting proceeded in a warm cordial atmosphere.